Daily Report

Latin America

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Caricom, Canada Oppose Haitian Intervention Without UN Approval

PA1407230094 Paris AFP in Spanish 2152 GMT 14 Jul 94

[Text] Ottawa, 14 Jul (AFP)—The 14 countries of Caricom [Caribbean Common Market] and Canada agreed to oppose a military intervention in Haiti without a green light from the UN Security Council, Jamaican Prime Minister P.J. Patterson said in Ottawa today.

Patterson, after meeting with his Canadian counterpart Jean Chretien, told the media that he has the impression that a green light from the United Nations "is not very far away."

The prime minister pointed out that he was speaking on behalf of the 14 Caricom countries, a community of states in the Caribbean area.

Patterson said he and Chretien agreed that "a foreign intervention in Haiti is unjustifiable without a UN Security Council decision."

Jamaica, however, along with other countries of the Caribbean and Canada, is willing to join an eventual UN force whose mission would be to restore law and order in Haiti when President-elect Jean-Bertrand Aristide returns to power, he added.

Meanwhile, Colombian Foreign Minister Noemi Sanin said today that her country would oppose a unilateral military intervention in Haiti and suggested increased diplomatic actions to achieve the deposed president's return.

Cuba

Foreign Minister on Importance of Korean Talks

FL1407145394 Havana Cuba Vision Network in Spanish 0000 GMT 14 Jul 94

[From the "NTV" newscast]

[Text] Cuban Communist Party and state officials and representatives of the diplomatic corps accredited to Cuba, as well as average citizens, signed the condolence book at the North Korean Embassy on 13 July.

Carlos Lage Davila, Council of State vice president, commented on talks between the DPRK and the ROK:

[Begin Lage recording] We are here to express our people's feelings and to share the brotherly North Korean people's pain following the loss of Kim Il-song. Talks with the ROK are among the Korean people's hopes and have always been part of North Korean Government policy. [Words indistinct] with much firmness. The fact that talks may begin soon is the result of that firm and principled policy and of the North Korean people's accomplishments. It is a positive step forward, and we wish them much success. [end recording]

Foreign Minister Roberto Robaina said after a brief meeting with North Korean Ambassador Kim Sung-yong:

[Begin recording] [Robaina] This is a painful and difficult moment not only for the North Korean people but also for the Cuban people and a significant portion of the international community, which admires the work of the DPRK and Comrade Kim Il-song, in particular, not only his work of love but also his significant accomplishments.

[Correspondent] How does the Cuban Government feel about talks between the DPRK and the ROK?

[Robaina] I trust the intelligence of the North Korean people and of those in charge of the talks. While Comrade Kim was the guiding force, he did not want to be alone in this task. The talks had to be postponed for reasons that mankind must understand. The Korean people have a another priority right now. However, I do not believe there are plans to stop a negotiating process which is broader than one person alone and which Kim Il-song himself ensured was in the hands of many others.

[Correspondent] Are these talks positive?

[Robaina] They can be positive. However, the talks must change with the times, which are very difficult for the DPRK right now. [end recording]

Three Days of Mourning for DPRK Leader Declared

FL1407122494 Havana Radio Progreso Network in Spanish 1100 GMT 14 Jul 94

[From the "First Thing" program]

[Text] Army General Raul Castro Ruz, second secretary of the Cuban Communist Party Central Committee and first vice president of the Councils of State and Ministers, on 13 July signed the condolence book at the North Korean Embassy following the death of North Korean President Kim Il-song. Division General Ulises Rosales del Toro, chief of general staff, and numerous high- level Revolutionary Armed Forces officers also signed the book.

Castro wrote in the condolence book: Eternal Glory to the Great Leader Kim Il-song. Castro also expressed his condolences to the North Korean ambassador.

Cuba's Council of State has decreed three days of official mourning following the death of North Korean President Kim Il-song. The decree states that the national flag will fly at half mast on public buildings and military installations 15-17 July.

UN Official Cited on Castro Invitation

PY1507034494 Rio de Janeiro O GLOBO in Portuguese 14 Jul 94 p 17

[Report by O GLOBO correspondent Deborah Berlink in Geneva]

[Text] Acting in absolute secrecy so that Cuban President Fidel Castro may not change his mind, UN Human Rights Commissioner Jose Ayala Lasso has started preparations for a thorny task. Ayala Lasso yesterday received Castro's official invitation to be the first senior UN official to visit the island to discuss the human rights situation in that country. As yet, no date has been set for the visit.

Cuba has always rejected every UN attempt to visit Cuba for discussion of human rights violations, claiming that such inspections are manipulated by the United States. Yet, in an attempt to rejoin the international community to avoid bankruptcy, Castro announced—during Brazilian Foreign Minister Celso Amorim's visit—his decision to invite the UN official to visit Cuba.

In remarks to O GLOBO, Ayala Lasso said: I do not want the invitation to be misinterpreted. The visit will be designed to contact the Cuban Government and to discuss basic human rights issues. That is what we are going to discuss.

Despite the low profile approach, UN sources have stated that Ayala Lasso plans to raise every charge involving human rights violations. In this endeavor, he will not be short of material. Carl-Hohan Groth, the rapporteur of the UN Special Human Rights Committee

on Cuba, did not mince his words in his latest report, which was submitted in January. In his 34-page report, Groth reports on systematic human rights violations on the island and lists the names and stories of people who have been persecuted by the Cuban regime.

In August 1993, Groth officially requested permision to visit Cuba, but the Castro government did not even give him a reply. Groth said that the situation in Cuban prisons is alarming, and that prisoners are starving to death. He also charged that several people have been arrested in Cuba because they were promoting human rights or simply because they believe that Castro has betrayed the socialist cause.

Groth said: Throughout 1993, I received information from several people who were systematically sentenced to up to four years in prison. These were primarily young people charged with disrupting public order. The outcome of the trial would be made public shortly after the defendant had been sent to prison.

In the same report, Groth published a speech by the Cuban delegation claiming that human rights have not been violated in Cuba.

Castro Meets Latin American French Teachers

FL1507002294 Havana Radio Reloj Network in Spanish 1932 GMT 14 Jul 94

[Text] Commander in Chief Fidel Castro has spoken briefly with delegates of the 9th Congress of Latin American Teachers and Researchers of the French Language. Castro asked about the number of attendees at the congress.

The congress began Monday at the Convention Palace in Havana City, with over 500 participants.

Today, on France's independence day, French Ambassador Jean Raphael Dufour will hold a reception for the delegates.

During this congress, the participants are discussing issues related to the teaching of the French language. They regard these discussions as very positive.

'Straight Talk' Revisits U.S. Blockade Issue

FL1407183594

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 8 July broadcasts its regularly scheduled 15-minute "Straight Talk" program with host Osvaldo Rodriguez, from BOHEMIA magazine, and guests Renato Recio and Eloy Concepcion, from TRABAJADORES newspaper, who discuss the possibility that the U.S. blockade against Cuba is weakening.

Recio notes two possible approaches to the question of whether the blockade is weakening: first, evaluate the blockade's effects on Cuba and see if there is a decline; second, evaluate the blockade for what it is—a U.S. institution bent on suffocating Cuba—and see if it is becoming obsolete. Recio states: "The blockade's effects on Cuba are huge and its impact is enormous. However, in terms of its durability and long-term consequences, I believe the blockade's role as a weapon is weakening."

Rodriguez suggests that the blockade is weakening because Cuba has established more ties abroad and, in a sense, is rejoining the Latin America community. He adds: "When the blockade started, most Latin American governments—with the honorable exception of Mexico—broke relations and expelled Cuba from their markets."

Concepcion says that the U.S. Government's dream of solving the Cuban problem through the blockade has not come true. He notes that Canada stopped complying with the blockade within 16 years and suggests that the attitudes of Mexico, Brazil, the Association of Caribbean States, and the EC indicate that the blockade is weakening, though Cubans are still feeling "the criminal consequences of the blockade" through shortages of raw materials to produce medicine.

Rodriguez says that he believes that the blockade has not become weaker but stronger and that "Cuba has been able to confront and debilitate the blockade." He cites the Torricelli Law as an indication that the blockade is strengthening. Rodriguez adds that intensification of the blockade has stirred reaction inside the United States, with U.S. citizens defying U.S. tax laws and visiting Cuba and U.S. businesses expressing interest in investing in Cuba.

Recio agrees, adding: "Cuba's resistance has weakened the blockade. The United States exerted more pressure and waited like a vulture for the sick prey to fall with each report of Cuba's imminent collapse following the tremendous collapse of European socialism. Yet, this never happened. Cuba began establishing successful political and economic relationships with West European, Latin American, and Caribbean nations. Cuba also started restoring economic ties with the USSR."

Concepcion says that two elements came into play in weakening the blockade, including "the Cuban people's endurance and the Cuban Government's effectiveness in taking the appropriate steps to produce the necessary economic changes."

Recio stresses the important role foreign businesses have played in undermining the blockade, with 146 joint associations representing 28 different countries working on 25 sectors of the Cuban economy. Regarding questions surrounding the blockade inside the United States, Recio says that U.S. citizens, particularly business people, are asking why discriminatory measures against Cuba continue while those against Vietnam and the PRC are no longer in effect. Recio refers to a recent Johns Hopkins University study which estimates that business between the United States and Cuba could amount to between $1.3 and $2 billion within one year of the termination of the blockade. Additionally, Recio refers to a letter from a U.S. businessman calling Washington's

practice of tying the blockade to democracy hypocritical since the United States did not mind doing business in Cuba when Batista was in power and human rights were consistently being violated.

Rodriguez emphasizes the importance of this study since many people are asking what would happen if the blockade was to be discontinued. The idea is utopian because this could not possibly happen overnight since the legal aspects are too complicated, yet it is worthy to ponder the effects of a possible end to the blockade, he says.

Concepcion does not see this possibility in the immediate future either but says that several aspects need to be pondered, such as the increasing number of people in the United States—including the so-called Cuban community in Florida—who see this blockade as an anachronism.

Rodriguez closes by addressing the possibility of the blockade ending, saying that Cuban economic processes are gradual and that the Cuban strategy cannot be planned on the basis of a probable end to the blockade.

Armed Forces Graduations Mark 26 Jul Anniversary

FL1407143094 Havana Cuba Vision Network in Spanish 0000 GMT 14 Jul 94

[From the "NTV" newscast]

[Excerpts] The Revolutionary Armed Forces [FAR] has held the eighth graduation ceremony for cadets and the 15th for special troops professionals at the Baragua Special Troops School, as part of celebrations marking the 41st anniversary of 26 July. Division General Ulises Rosales del Toro, hero of the Republic of Cuba, Politburo member, and chief of the FAR General Staff, and the graduates' relatives attended the ceremony. [passage omitted]

The young troops demonstrated outstanding skill with small caliber weapons, personal defense, and modern techniques to counter enemy actions. The special FAR troops participated in a mock school hostage scenario, rescuing the hostages and suppressing and arresting the hostage-takers in minutes. Particularly noteworthy were the troops' quick deployment capabilities; the efficient use of helicopters to conduct surprise landings on targeted sites; and the firepower of the transportation vehicle that was used, which was named Fiero and was shown to the public for the first time.

Comrade Ulises Rosales del Toro said afterward:

[Begin Rosales recording] First, I am very pleased because this shows that our country can put into the hands of these outstanding soldiers the weaponry and equipment needed to conduct special missions. Second, I am pleased because the success and high efficiency of their resources is due in great measure to the capabilities of the special troops given their advance training in the use of these resources. This tells us that we are training these soldiers well and that they can use their resources successfully. [end recording]

Special Program Reviews Penal Code Modifications

FL1407220294

[Editorial Report] Havana Cuba Vision Network in Spanish at 0030 GMT on 8 July broadcasts "the first of three special programs" to review Decree 150, which became effective on 12 June and modifies the 1987 Cuban penal code.

Journalist Froilan Arencibia introduces the guests—Dr. Graciela Prieto Martin, vice president of the People's Supreme Court; Dr. Jose Luis Toledo Santander, assistant attorney general and deputy to the National Assembly of the People's Government; Dr. Raul Barrios (Velez), a Justice Ministry specialist; and Dr. Juan Mendoza Diaz, a lawyer of the Public Attorneys' Office—adding that Dr. Mendoza will act as moderator because the program "involves discussing this topic with authorized specialists." Mendoza reviews the penal code's importance to society and asks Dr. Toledo about the motivations behind these modifications.

Toledo explains that: "Lawyers agreed since late 1989 that it was necessary to introduce modifications to the penal code for the sake of increased flexibility," and "to penal procedures, to expedite the enforcement of justice." He says the "modifications will allow the courts to tailor sanctions to a transgressor's case with more flexibility—even with more severity." Toledo adds that "a special aspect of these modifications is the inclusion of new types of crimes." Some modifications are intended to "guarantee the people's security," enforce the law, support the authorities, and protect public finances.

Mendoza notes that "important modifications have been made regarding limits to prison terms, analyses of aggravating circumstances, repeat offenders, and habitual offenders." He asks Dr. Prieto to review these issues.

Dr. Prieto explains that Article 30 of the penal code originally established a 20-year maximum prison term, and that this term could be increased up to 30 years in only two cases: "when a specific crime calls for a death sentence and when a person perpetrated a crime while serving a sentence." She says the second case now includes the so-called joint sanction, which extends a 20-year prison sentence when the person is already serving time or reduces a sentence when the limit established for each case exceeds the 20-year limit.

Prieto adds: "There are two new cases." One deals with "repeat offenders and habitual offenders"— when a person has either been previously punished for one crime or when the person has been previously punished for two or more crimes. The second case deals with "aggravating circumstances," which can determine an increase in the

prison term—by up to one half. "There are crimes for which the maximum sentence is high—15 or 20 years—and if you increase this by half, you logically exceed the 20-year limit." However, "the maximum term in these four cases will always be 30 years."

Mendoza mentions modifications to the article on aggravating circumstances.

Prieto says the phrase, "or any other special situation," has been added to Article 53 of the penal code. Courts reviewing criminal cases will thus ascertain if given situations prevailed and if the perpetrator availed himself of such a situation at the time of the crime. This would be considered an aggravating circumstance.

She adds: "The other aggravating circumstance refers precisely to the perpetration of a crime—vengeance or reprisals—against anyone who acts fairly in the line of duty." The goal is to "use these aggravating circumstances to protect a person who is a victim of a crime while he fulfills his social duty as an honest and decent citizen and makes sure order prevails at a given moment." The other case strives to protect "priority sectors of our national economy," including the tourism sector.

Mendoza turns to Dr. Barrios and asks him to elaborate on the modifications to the articles dealing with threats or violent acts of vengeance or reprisal against agents of public order. Barrios says the main modification to the articles was to include "public officials, their agents, or their assistants," and their relatives, as individuals who "may be the victims of those crimes." Moreover, this protection has been extended "to people who act as witnesses or support judicial actions without actually appearing as witnesses." Barrios then discusses modifications to the article on riots. He says it has been modified to include an increased sanction for people who "give the alarm or announce the threat of a common danger" with the intention of provoking a disturbance or disrupting public order in any other way. Regarding the decree establishing sanctions for the production, sale, traffic, or possession of drugs, Barrios says the decree now specifically refers to these crimes and establishes the appropriate sanctions for each one.

Mendoza asks about modifications to the article on unlawful enrichment and unjust enrichment.

Toledo answers: "There are two entirely separate issues within the law. Unjust enrichment... [pauses] Decree 149 was recently issued on this subject. It refers to people who have increased their wealth in an unjust way, but not necessarily through a punishable action, that is, a crime. Unlawful enrichment refers to people who have increased their wealth far beyond the normal, legally established way, through illegal, punishable actions, crimes. It is important to establish the difference between unjust enrichment mentioned in Decree 149 and unlawful enrichment mentioned in Decree 150 of the penal code, although they may coincide at any given moment."

Modifications to the article on unlawful enrichment deals with applicable sanctions and those who may be charged with this crime.

Labor Ministry Spokesman on Worker Relocaton

FL1507015894 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Jul 94

[Report by Mariela Diaz from the "Exclusive" program—live or recorded]

[Text] Without a doubt, worker relocation is one of the most sensitive social issues in Cuba today. Bear in mind that 85 percent of our workers find themselves facing the question of work relocation. To answer the question, what is the reality of this process in our country, we have Conrado Valladares, director of Labor and Incentives in the Ministry of Labor and Social Security.

[Begin recording] [Valladares] The legislation establishes, together with other legislation dating from 1990 [words indistinct] the commissions are to be made up of representatives from the administration, the union, and a group of workers. They are in charge of determining the worker's right to stay on the job or to become an excess worker as a consequence of a measure of the type I have explained, whether it is due to a rationing of jobs or is a consequence of the special period. These commissions are in charge of analyzing which workers are to become excess workers and therefore be relocated as a result of the alternatives mentioned above. For these cases, the legislation provides various alternatives. There can be relocation alternatives, either permanent or in some cases, temporary.

[Diaz] What is the time frame, from the moment the commission decides to relocate a worker, to the actual relocation itself?

[Valladares] The legislation gives the worker seven days to decide on the work offers he has received and therefore to decide whether they are acceptable to him or not.

[Diaz] What salary will the relocated worker be getting?

[Valladares] A temporary excess worker has two options: relocate, opting for the set salary that he has been making, or for the salary of the job that he is going to be doing.

[Diaz] The case may be that the worker does not accept the relocation offer. What happens with this worker then?

[Valladares] The legislation establishes a group of measures. There are workers who may not accept because they may have problems with their children, personal problems, or because they would be very far from home. In these cases, the commissions establish whether these offers are acceptable for the worker or not. In these cases, and even though the worker agrees to be relocated but due to an objective problem cannot relocate immediately, he is guaranteed 60 percent of his salary. [end recording]

Dominican Republic

Balaguer Proposes Amending Constitution, New Elections

PA1407220594 Mexico City NOTIMEX in Spanish 2025 GMT 14 Jul 94

[Text] Santo Domingo, 14 Jul (NOTIMEX)—President Joaquin Balaguer today proposed that a constituent assembly be called to amend the Constitution and call for new elections in view of the pressure over charges of electoral irregularities. "This would be the solution to stop international pressure against the country," Balaguer told Dominican media a few days before the Central Electoral Board (JCE) must issue its decision on the presidential elections.

The octogenarian president reportedly won the elections by 2,000 votes, according to reports issued by a tripartite commission last night. Previous JCE bulletins placed Balaguer ahead by 30,000 votes. The opposition, headed by Jose Francisco Pena Gomez, candidate of the Dominican Revolutionary Party (PRD), blasted the results as fraudulent. Pena Gomez charged that at least 200,000 Dominicans were removed from the official voter registration list.

If the JCE were to declare Balaguer, the candidate of the Social Christian Reformist Party (PRSC), the winner, he would take office for the seventh time, and the third consecutive time since 1986. Meanwhile, the U.S. Embassy in the Dominican Republic announced a White House mission would arrive on Friday to discuss with authorities and political leaders the electoral controversy and the Haitian crisis. The U.S. mission comprises Representative William Richardson, Army Commander J.R. Redding [title as received], and Congressional Aide Calvin Humphrey. They are scheduled to meet with Balaguer, opposition political leaders, and other institutions to analyze the electoral situation in the Dominican Republic.

Elections Suggested 'In One or Two Years'

PA1407230894 Madrid EFE in Spanish 2142 GMT 14 Jul 94

[Text] Santo Domingo, 14 Jul (EFE)—Dominican President Joaquin Balaguer today said new elections could be held in the Dominican Republic following the convening of a Constituent Assembly to amend the country's Constitution.

He said general elections would be held in one or two years in accordance with the agreement reached by the majority political parties to amend the constitution.

The president said the constitutional reform might encompass the aspects that are deemed necessary, such as prohibiting reelection for two consecutive terms.

"Elections could be held in one year, two years, or whatever term one wants, and would provide a new opportunity so foreign interference in Dominican affairs will end," the president added.

After the charges of fraud in the 16 May general elections, the United States suggested that complementary elections or new general elections be held.

The Central Electoral Board [JCE] created a verification commission for the elections, which confirmed that 28,000 to 45,000 people were unable to vote.

President Balaguer made new elections conditional upon a modification of the Constitution by the National Assembly. The new elections would be held on a date set by the National Assembly. He added that the National Assembly could also promote reforms in the judicial branch and other important institutions.

Balaguer acknowledged that the 16 May elections have been very controversial, but said "it is important to remember that there was no fraudulent intent in any of these irregularities, therefore I believe Dominican democracy can be rebuilt to survive for many years through agreements with the country's majority parties."

"It seems to me," he said, "that what the citizens want most is for the problem to be solved, for the JCE to rule either in favor of the PRD [Dominican Revolutionary party], the PRSC [Social Christian Reformist Party] or whatever, but that it issue a ruling so the uncertainty will end."

Haiti

Aristide Urges 'Swift, Definitive Action'

PA1407211794 Paris AFP in Spanish 2005 GMT 14 Jul 94

[Text] Washington, 14 Jul (AFP)—Haitian President-in-exile Jean-Bertrand Aristide today urged the international community to conduct a "swift, definitive" action to expel the coupist military men from power.

"In my capacity as president of Haiti, I frequently reaffirmed that my Constitution prohibited me from requesting a military intervention, because I would be dismissed if I did," the chief of state said in a communique.

"It is in the hands of the international community to decide to conduct a swift, definitive action to force the coup leaders to comply with the agreement" of Governors Island, which was signed last year to settle the Haitian crisis and which has never been respected by the military men, the president stated.

"I trust that the international community will respond to the flagrant violation of the agreement," added Father Aristide, who was toppled in September 1991 months after his triumphant election.

After pointing out that he continues "to believe that democracy will be restored soon," the exiled president added that the expulsion on Wednesday of the UN/OAS

mission shows that the military junta seeks to perpetuate "its reign of violence and political repression without international witnesses."

Organizations Reject Expulsion of Observers

PA1407232294 Hamburg DPA in Spanish 2202 GMT 14 Jul 94

[Text] Port-au-Prince, 14 Jul (DPA)—Various popular organizations in Haiti today rejected the expulsion of the international mission of human rights observers by the de facto government installed by coupist military officers.

Berthony Alcenat, leader of the National Action for Democracy (Anadem) group, said "it is open defiance of the international community," sources at the HAITIAN PRESS AGENCY (AHP) reported.

Alcenat believes the departure of UN and OAS observers represents a "big blow" for popular organizations in Haiti, most of which support President Jean-Bertrand Aristide, who was overthrown on 30 September 1991.

Meanwhile, the Movement of Young Patriots (Mojep) said that the latest measures adopted by the government of Emile Jonaissant, including the expulsion of foreign observers, do not have the support of the Haitian population.

On the other hand, the Platform of Martissant People's Organizations called the expulsion a "preconceived measure" that serves as a pretext for a U.S. invasion of Haiti.

Serge Jean-Louis, vice president of the Social Democratic legislative wing in the Chamber of Deputies, said the de facto government does not have the right to expel the international mission because "that so-called government has not been ratified by the Parliament."

The parliamentary leader said Haiti requires the presence of that international mission "so it can provide evidence of the human rights violations throughout the country."

Evans Paul, who was elected mayor of Port-au-Prince, stated that the de facto government decided to expel the observers because it does not want any witnesses to its bad actions.

Paul, a close collaborator of Aristide who was stripped of his post following the military coup, also reported the existence of an "extended plot" forged by the group in power to kill him and other persons in the democratic and progressive sector.

Commenting on the possibility of a military intervention in Haiti, the politician said that at this point it is not important to state whether one is in favor or against but "to know what attitude to assume before the putschists who have ruined the country."

Meanwhile, Stanley Schrager, U.S. Embassy spokesman in Port-au-Prince, announced today that U.S. Embassy officials will be tasked with overseeing compliance with human rights in the absence of the international UN-OAS Mission.

Military Gives Civilian Mission Departure Protection

FL1407223494 Port-au-Prince Radio Signal FM in Creole 1130 GMT 14 Jul 94

[Text] An important security force was put in place on the airport road last night for the civilian mission's departure from Haiti. The provisional government and the Haitian Armed Forces sent several dozen soldiers to the outlying zones near the Mais Gate Airport to guarantee the safety of all members of the civilian mission that the government expelled from Haiti.

Military personnel, wearing variously colored uniforms and assigned from different tactical garrisons, carried heavy weapons and took time to inspect each car passing along the airport road at the time members of the civilian mission were boarding their scheduled Air France flight to Guadeloupe, Pointe-a-Pitre, following their expulsion by the Emile Jonassaint government.

It should be noted that the provisional government had guaranteed the safety of the civilian mission members before their evacuation from Haiti, according to statements by Minister of Foreign Affairs Charles David during a press briefing on 12 July. A total of 92 members of the civilian mission were due to travel to Pointe-a-Pitre before being repatriated to their countries in respone to a UN-OAS decision.

Sansaricq Senate Leads Anti-U.S. Demonstration

FL1407225394 Port-au-Prince Radio Metropole in French 1900 GMT 14 Jul 94

[Text] A demonstration is being staged against the embargo and the possibility of a military intervention in Haiti. About 60 minutes ago, the demonstrators began to gather in small groups at the call of several organizations, including MNP-28 [National Patriotic Movement of 28 November]. Rothschild Francois reports live on the situation:

[Francois] What we can say is that the demonstration is about to begin in a few minutes because the organizers are already in place—I am talking about the Bernard Sansaricq branch of the Senate. All those senators are present. Bernard Sansaricq is the leader. Senator Manigat, [word indistinct] are already there at the podium, which is built at the foot of the statue of Henri Christophe here in Champ-de-Mars. There are groups on foot, the country people. It is very difficult to assess the number of people since the demonstrators are not concentrated in one place. We are waiting for the call by the organizers before we attempt to assess this demonstration. What we can say is that there are now many more people than during our first report. This demonstration is being staged for a few hours to express opposition to

the embargo and to U.S. intervention in Haiti. This was Mobile 20. I will call you later with further information.

Jonassaint Government Denies 'De Facto' Status

FL1407220194 Port-au-Prince Radio Metropole in French 1900 GMT 14 Jul 94

[Text] The Jonassaint government denies being a de facto government. This term, points out the Ministry of Information in a press release, is part of the package of offensive epithets at the service of the aggressiveness of the homeland's out-and-out enemies. This ministry reminds everyone that the Republic of Haiti lives in peace under the aegis of a provisional constitutional government, installed by virtue of Article 149 of the Constitution and a legislative resolution by the Senate of the Republic.

David Discusses Vatican Wheat, International Ties

FL1407233194 Port-au-Prince Signal FM Radio in Creole 1130 GMT 14 Jul 94

[Report by Anne-Marie Issa on "exclusive" interview with the foreign minister in the Jonassaint government Charles David on 13 July; place not given; passages within quotation marks in French]

[Excerpts] We just spoke to the minister of foreign affairs, Charles David, who had held a news conference this week on the civilian mission issue. But yesterday he granted Signal FM an exclusive interview in which he explained that many overtures are being made to the international community. The government of Emile Jonassaint has decided to confront the international community to bring it to its senses. So the steps being taken are steps aimed at making it understand that it is about time for it to change its position on the Haitian crisis. Foreign Affairs Minister Charles David, speaking in front of the microphone of Signal FM, said the government will soon receive 75,000 tons of wheat, as previously announced, in accordance with its agreement with the Vatican. Anne-Marie Issa, who conducted the interview, presents a report.

[Begin recording] [Issa] On 13 July, we met with the minister of foreign affairs of the provisional government. Charles David answered our questions in an exclusive interview with Signal FM. All of us know that the principal headline this week was the matter of the civilian mission. The minister discussed this during his news conference. But there was also cancellation of the diplomatic passports of the members of the Malval government and many other personalities.

Why did the provisional government make this decision? It was purely administrative, Minister David replied. This means it was for administrative reasons. What relations will the government have with the international community since the provisional government's decision to expel the civilian mission? The minister answered such questions as follows:

[David] "Listen, those relations will be what the international community wants them to be. Personally, I have nothing, absolutely nothing... [pauses] let us say, the government of the Republic has nothing against the international community. I explained this yesterday. I hope we can maintain our excellent, open relations, especially with the United Nations. I have absolutely nothing against the other organizations—let us say the United Nations. We had to make this decision about the civilian mission, but it concerns only the civilian mission. It does not imply hostility toward the international community."

[Issa] During Minister David's news conference, he announced that the provisional government would be in contact with many foreign countries. Signal FM questioned the minister to get more information on those countries.

[David] "I am not trying to increase contacts to regularize our diplomatic situation. I am trying to increase contacts to spare this country the inevitable, the intolerable situation of invasion and occupation. [passage omitted]"

[Issa] Minister David also told us that the 75,000 tons of wheat that the Vatican had promised will arrive in Haiti soon. [passage omitted]

Today, Air France announced in a press release that it will join foreign countries, the United States, and Canada in suspending all flights to and from Haiti as of 1 August. What does the provisional government intend to do regarding this air traffic matter— planes banned from entering and leaving Haiti? The minister answered Signal FM on this question as follows:

[David] "We will try to have those decisions revoked. Their purpose is simple: they want to isolate this country. It is clear. I am very surprised by France's decision, but I have not lost hope. I have not lost hope that reason will eventually prevail."

[Issa] [passage omitted] Finally, Minister David told us that he hopes Haiti will become disentangled from the problems it is experiencing. [end recording]

Guadeloupe

UN, OAS Observers Expelled From Haiti Arrive

PA1407134994 Mexico City NOTIMEX in Spanish 1010 GMT 14 Jul 94

[Text] Pointe-a-Pitre, Guadeloupe, 14 Jul (NOTIMEX)—The 96 international mission members who were ensuring the respect for human rights in Haiti arrived in Guadeloupe on 13 July after being expelled the day before by Haitian coupists, UN sources reported here today.

The mission, consisting of OAS and UN observers, arrived 13 July in Guadeloupe and will travel to the Dominican Republic tomorrow.

The mission members were flown to Guadeloupe on board an Air France flight. Flights to and from Haiti were suspended on 1 August, in accordance with a UN embargo imposed on the island on 22 May.

According to sources close to the Pentagon, hundreds of U.S. Marines began disembarking exercises in the Bahamas yesterday in light of a possible invasion against Haiti to remove the Haitian coupists from power.

The Haitian Armed Forces, led by General Raoul Cedras, have begun to take measures to repel a possible armed intervention. The Haitian military seized power in a coup in September 1991.

Sources of the UN-OAS mission expressed their fear that the Haitian coupists will unleash a campaign of repression and increase the killing of civilians after their expulsion from Haiti.

Salinas Names New Prosecutor in Colosio Murder

PA1507023194 Mexico City Radio ACIR Network in Spanish 0000 GMT 15 Jul 94

[Text] We now go to the Los Pinos Presidential House with reporter Juan Ayon. I will repeat the announcement I made a short while ago. The president has appointed Dr. Olga Islas Magallanes Mariscal as new special prosecutor to investigate the assassination of Luis Donaldo Colosio.

The president reported that Dr. Olga Islas Magallanes Mariscal will replace Dr. Miguel Montes Garcia. Juan Ayon is at the Presidential House with the report. Juan, how are you? Good afternoon.

[Ayon] Good afternoon. A few minutes ago the president held a news conference during which he announced—as you said—the appointment of Dr. Olga Islas Magallanes as the new special prosecutor handling the Colosio case. This is what the president said a few minutes ago:

[Begin Salinas recording] Ladies and Gentlemen: I have received the report by Special Prosecutor Miguel Montes Garcia on the investigation of the incidents surrounding the assassination of Luis Donaldo Colosio. Days ago, Miguel Montes told me that given [two-second reception break] substantial part of the task bestowed upon him, he deemed it appropriate to resign as special prosecutor. Dr. Miguel Montes formed a high-quality team marked by its professionalism and legal expertise. I thank Special Prosecutor Miguel Montes and the team that developed this investigation for the job done with honesty and dedication. The conclusions they reached were the product their independent investigation.

The assassination of Luis Donaldo Colosio offended all Mexicans. The government is committed to an in-depth investigation of these incidents so the law can be served. It should be pointed out that Mario Aburto, Colosio's confessed killer, is alive, under arrest, and being tried. The Attorney General's Office has provided the evidence necessary so the judiciary can settle this case and impose the corresponding penalties.

I have decided to request a group of distinguished jurists from abroad of well-known experience to review the investigation in detail. The group of experts is formed by Dr. Sergio Garcia Ramirez, Dr. Raul Carrancay Rivas, Dr. Jesus Zamora Piet, Francisco Acuna Griego, and Agustin Santamarina. I thank them for their disposition to contribute to clarify this matter and offer new lines of investigation that will allow us to punish the responsible person. They have all distinguished themselves over time as expert attorneys with a great deal of experience.

In addition, I have also ordered that the report presented today be made public in its entirety for the information of interested parties. Regardless of the conclusions reached by the Special Prosecutor's Office team, the case is not closed and the investigation is not over. I have given instructions that this case remain open and the investigation be expanded. This will allow us to determine if someone influenced Mario Aburto to perpetrate the crime. The investigation will continue to its final consequences.

Given that Colosio's family called for the appointment of Miguel Montes, I have spoken to them about the new person responsible for continuing the investigation, questioning people, and clarifying the incident. Consequently, I have designated Dr. Olga Islas Magallanes de Gonzalez Mariscal as new special prosecutor. Dr. Olga Islas holds a Doctoral Degree in Law and has a strong career in the administration of justice. She is a professor of Penal Law at the National Autonomous University of Mexico and is president of the Mexican Academy of Penal Sciences. Thank you very much. [end recording]

[Ayon] President Carlos Salinas de Gortari made those statements a short while ago. Salinas appeared very serious and concerned about the Colosio case.

Organizations Approve Democratic Convention

PA1407203194 Mexico City LA JORNADA in Spanish 10 Jul 94 pp 1, 6

[Report by Georgina Saldierna]

[Text] After a heated debate yesterday, 90 social and political organizations approved of and signed the new document calling for the Democratic National Convention, sponsored by the Zapatist National Liberation Army (EZLN), to be held in Chiapas from 6 to 9 August.

In what is seen as a virtual break with groups that are considered ultra-leftist and that want to go to the convention but do not fully agree with certain points of the document, the representatives of 90 organizations signed the document and left the Che Guevara auditorium of the UNAM [National University of Mexico] School of Humanities after attempting for more than seven hours to reach an agreement with those who opposed the terms of the document.

Those that did not sign the new document are: The PROCUP [Revolutionary Workers Clandestine People's Union Party]; the Independent Popular Movement (MPI); the Popular Indian Peasant Worker Coordinating Group (COCIP); the Emiliano Zapata Peasant Organization (OCEZ); the Socialist Workers' Party (POS); the National Coordinating Board of Workers of the IMSS [Mexican Social Security Institute]; Section 9 of the SNTE [Trade Union of Education Workers]; and Alberto (?Hijar), among other organizations and personalities.

Those that signed the document include the National Democratic Alliance [ADN]; the Socialist Alternative; the majority of groups that participated in the Caravan of Caravans; the Historic CEU [University Student Confederation]; student committees from all over the country; and the CONAC-LN [expansion unknown].

Approximately 400 representatives of social and political organizations met at noon in the auditorium of the School of Philosophy where the new document was read.

It was drafted by the EZLN, members of the Caravan of Caravans, and the Chiapas Convention, Subcommander Marcos stated in a letter.

The document sent through Nuria Fernandez, Manuel Fernandez, and Flora Guerrero, of the Caravan of Caravans, addresses proposals of the second declaration of the Lacandona Jungle and of the document convoking the meeting, which had been approved on 2 July in the Federal District.

It met in general with the approval of all those present. There were, however, specific differences on two points: the manner in which the resolutions will be approved, and those who will sign the document.

Representatives of the ADN, the Historic CEU, Caravan of Caravans, Civil Search for Peace [Espacio Civil por la Paz], and other organizations favored that the topic of resolutions not be modified and that they be adopted by vote, as it appears in the document.

The Francisco Villa, Alberto Eijar Front, Section 9 of the SNTE, POS, Michoacan Students, MPI, PROCUP, and otner organizations asked that an addition be made so that the convention plenary will be the body to decide how to approve the resolutions, or rather how these will be approved by consensus.

The debate in this respect was bogged down for five hours. Speakers for and against the issue followed one another, without any agreement being reached.

What was being debated basically was that the latter organizations were afraid of being a minority in the convention and that they would be committed to adopting decisions with which they did not agree, Salvador Ferrer, of the UNAM School of Humanities and a member of the radical faction of the CEU, explained later.

Matters began to get heated. A representative group of both parties left the auditorium to try to reach an agreement. They discussed matters at length and then entered to make a new proposal.

They were unable to present it, however. The climate had flared up inside, and representatives from both sides were shouting, trying to present their arguments.

Representatives of the Civil Search for Peace, Caravan of Caravans, and organizations from Queretaro and Guanajuato then announced they were leaving the assembly, because conditions were not conducive to continue. They did say, however, that they totally agreed with the terms of the document calling for the convention and that they would sign it.

Gaspar Morquecho, of the Chiapas Convention, has also said he will sign the call if it was drafted by the EZLN.

Far from calming people down, the announcement by Morquecho and those who preceded him seemed to stimulate them. Someone urged organizations that agreed with the original terms of the agreement to sign the document. While a long line was formed to sign it, a war of slogans filled the legendary Che Guevara Auditorium.

EZLN! EZLN! EZLN! EZLN! shouted supporters of the ADN, the Caravan of Caravans, and the Historic-CEU, while their opponents replied: Strike breakers! Strike breakers! The proletariat's struggle is not parliamentarian!

Elections are not the solution; let us promote a revolution! One side shouted later, while the others replied: You have not been called! Revolution is not provocation! Revolution is not provocation!

After the document was signed, the representatives from 90 organizations left the auditorium. Surprised, Benito Miron, the EZLN'S legal representative, could not say what would happen after the rupture. "That is what we would like to know," he said.

He said he agreed as CONAC member with the terms of the call but was "upset because people who claimed to represent the Caravan of Caravans went to the jungle, when they did not have that representative capacity." It was significant that due to the way events developed, it was not possible to discuss who will sign the call. ADN representatives were criticized at the beginning of the meeting for going to the jungle with representatives of the Caravan of Caravans.

Meanwhile, the call signed by 90 organizations states the Democratic National Convention "is an organized and peaceful effort of society to achieve a government for democratic transition and a new Constitution for the country. It is also an effort for a democratic change as the only real possibility for peace with justice and dignity, an effort to achieve the peaceful organization of society against the state party and the transition toward democracy, freedom, and justice."

In addition, the document states the National Convention "is an effort within a process of dialogue and agreement among the various social and political sectors on the nation's main problems and possible solutions, an effort to open a broad, pluralistic, and representative space with greater respect for the expression of different points of view but, rather, under a common denominator: the need for a democratic change, an effort from society to demand free, clean, and democratic elections, and to defend the people's will."

The document stresses the conventioneers will be: delegates from citizens groups and civic, social, and political organizations elected in an assembly; that they should be supported by minutes signed by those who attended the assembly, and they should be accredited before one of the three organizations signing the document.

It also says guests and observers will be invited and will be civilian and political personalities and intellectuals who must be approved by the Organizational Commission. All conventioneers will have a right to speak and

vote, and guests will have a right to speak but not to vote. Observers will not have a right to speak or vote.

The call was signed under its original terms, which state Mexico is immersed in an authoritarian, unjust, and illegitimate regime controlled by a state party, where the violation of basic human rights prevails. It also says people are living in misery, and, therefore a transition toward a democratic government is unavoidable and cannot be postponed and will require all forms of struggle.

PGR Reports Gunrunning Increasing

PA1407153194 Paris AFP in Spanish 1555 GMT 10 Jul 94

[Text] Mexico City, 10 Jul (AFP)—According to an Attorney General's Office [PGR] report published by the media, the illegal trafficking of weapons, cartridges, and explosives is increasing in Mexico, and "it is one of the most serious security problems."

The PGR believes "the presence of drug traffickers, who have made the country a thoroughfare leading to the world's largest drug consuming market (the United States), as well as the presence of guerrillas, gangs, and other criminal organizations are encouraging illegal gunrunning."

The PGR also stated: "On the other hand, our country shares a border of more than 3,000 km with the world's largest manufacturer of all types of weapons, a country that has few laws restricting the purchase and storage of weapons, thus facilitating weapons access to them and their illegal introduction in Mexico."

It was reported "a large demand north of the border and the increase in demand in several regions of the country have triggered the emergence of large criminal organizations that meet the demands for weapons by controlling shipment routes from northern to central and southern areas of the country."

The report indicates that more than 75,000 cartridges of several calibers, 169 small-arms weapons, and 200 light weapons were seized and that 136 people, including Mexicans and foreigners, linked to gunrunning and drug trafficking were arrested between 18 May and 6 July.

The Zapatist National Liberation Army took up arms on 1 January in the southern state of Chiapas. The PGR failed to explain to which "subversive organizations" it was referring in its report. The PGR also failed to explain why and where in the country the demand for weapons increased.

The police and Army have conducted intensive surveillance operations during the last few months in several states where, according to the media, guerrillas and drug trafficking gangs could be operating.

Energy Under Secretary on Joining Energy Agency

PA1407190194 Mexico City EL FINANCIERO in Spanish 4 Jul 94 p 39

[Report by Eva Lozano Estrella]

[Text] Acapulco, Guerrero State, 3 Jul—Alfredo Elias Ayub, under secretary for hydrocarbons of the Energy, Mines, and Parastatal Industry Secretariat, has said the fact that Mexico might join the International Energy Agency (AIE) does not mean we will have to supply crude to OECD countries. Elias Ayub has specified the policy in this case will be the same as for NAFTA.

Interviewed during the 22d Pan-American Convention of Engineers, Ayub said membership in the AIE is subject to member nations' having a petroleum inventory capability.

The advantages Mexico would obtain by joining the AIE would be access to advanced technology and advice from member nations of the OECD.

In another interview, Banamex [National Bank of Mexico] Development Director Juan Antonio Barges Mestre has said the main problem facing the energy sector is not in the technological but financial area. For this reason he proposed a legal framework that would permit energy sector participation in the Mexican Stock Exchange (BMV), because it could raise from $10 to $20 million through this system.

Bagres Mestre has also stressed the advisability of revising the legal systems of certain Mexican Petroleum [PM] and CFE [Federal Electricity Commission] operations, such as refinement, transmission, distribution, and marketing so that the PM and CFE can use certain financial strategies without losing control of the business.

He said some of these operations could be achieved through joint investments in which control would be exercised through the company's bylaws and not according to the amount of invested capital. The advantage of using risk capital, as a temporary measure, for financing in this sector should also be evaluated.

He has said a number of legal adjustments are necessary to cover the energy sector's needs, which are estimated at approximately $50 billion for the remainder of this decade in case Mexico registers the Inter-American Development Bank's estimated annual growth rate of 3 percent.

Having attended the engineers convention, Banamex's Barges Mestre said due to the investments the energy sector would need, it would be advisable to review and define the strategic energy plan, given the difficulties in obtaining financing. In this regard, he proposed a reorganization of the sector to conform its structure to the processes in such a way that it will permit the planning and financing of the energy sector.

According to Barges Mestres, of the $50 billion that will be needed for the energy sector during the next five years, 35 percent of this amount should be earmarked for the electricity industry, 42 percent for the oil industry, 16 percent for environmental issues involving the sector, and the remainder to research and security.

El Salvador

Government Condemns Expulsion of Observers From Haiti

PA1407172794 Hamburg DPA in Spanish 1603 GMT 14 Jul 94

[Text] San Salvador, 14 Jul (DPA)—Today, the Salvadoran Government disapproved of the expulsion of UN and OAS observers from Haiti by the Haitian military government headed by Raoul Cedras.

According to a Salvadoran Foreign Ministry communique released today, El Salvador is in no position to receive Haitian refugees. The document added the Salvadoran Government rejects and condemns the expulsion, describing it as an illegal measure taken by the Haitian Government and a measure that has prevented UN and OAS delegates from verifying compliance with the respect for human rights.

The Foreign Ministry appealed to the Haitian de facto authorities to change their minds and to pave the way for a peaceful solution "that meets expectations and a just desire for democracy."

In addition, the Salvadoran Government demanded the international community increase the necessary diplomatic efforts to restore and strengthen the civilian delegation's international role in Haiti.

Regarding the receiving of Haitian refugees in El Salvador, President Armando Calderon Sol reiterated in the past few hours this is impossible, because his country has recently been involved in an armed conflict and is in the middle of a national process of reconstruction.

Panama

Endara on 'Unlikely' Asylum for Haiti's Cedras

FL1407134794 Kingston RJR Network in English 1200 GMT 14 Jul 94

[Text] President-elect of Panama Ernesto Perez-Balladares has raised the possibility of Panama offering asylum to Haitian military leader Lieutenant General Raoul Cedras. The president-elect, who was on a recent visit to Spain, said he might offer Cedras asylum if that would solve the Haitian crisis. He takes over from President Endara in September.

Meanwhile, President Endara, meeting with journalists in Panama yesterday, said his country is not inclined to grant asylum to Haitian generals. He said if his government is asked to give Cedras asylum, the request would be considered but it is unlikely that it would be granted.

President-Elect on Asylum for Haitian Regime

PA1407205694 Paris AFP in Spanish 1852 GMT 14 Jul 94

[Text] Rome, 14 Jul (AFP)—Panamanian President-elect Ernesto Perez Balladares reported here today, Thursday, that no member of the Haitian regime has requested asylum from his government—which will take office on 1 September—but that if they should do so under conditions that are "acceptable" to his country, he would grant asylum if "only to provide a solution to the Haitian situation."

Perez Balladares, who arrived here Thursday from Madrid to pay a courtesy visit to Italian Prime Minister Silvio Berlusconi and to meet with Treasury Minister Lamberto Dini and local businessmen, stated here regarding a possible U.S. invasion of Haiti that "we hope that is the last alternative."

It would have to be an action "forced" by circumstances, and in any event "under the responsibility of the United Nations." "I find it difficult to support an invasion, because my country was invaded," Perez said, recalling what happened five years ago in his country. He explained that "aside from the social trauma and the dead," the effects of the invasion "have been overcome."

"We had a very good reception by Berlusconi, he added. We explained our government platform, especially our economic plans. We also talked about soccer. I liked Berlusconi because he is a businessman like me who says what he thinks. He is a man of action," he added.

According to Foreign Minister-designate Gabriel Lewis Galindo, there was an immediate understanding between the Panamanian and Italian Government delegations because "we are both governments of businessmen," he said.

He added that Berlusconi promised, once Perez takes office on 1 September, "to promote a visit to Panama by a mission of high-level industrialists to explore investment possibilities."

According to Guillermo Chapman, the designated economy minister who also accompanied Perez Balladares, Italian businessmen could invest in many sectors in Panama, such as electricity generation, construction of infrastructure projects, telephones, water treatment and distribution, industrial parks, ports and maritime service facilities, hospitals, public housing, garbage disposal, cleaning up the oceans, and tourism.

The delegation stressed that investments in Panama are totally free, as is the repatriation of capital, profit, or money transfers, since there is no foreign exchange control. Although an agreement for the protection of investments with Italy does not exist, if the Italian Government wishes, Panama is ready to sign such a treaty, although it does not consider it necessary.

Perez Balladares and his team also noted the new opportunities that exist in the so-called "reverted areas,"

which are now passing into Panamanian jurisdiction as the United States takes the pertinent steps to return the Canal.

The Canal will be among the topics Perez Balladares will discuss on 20 July with U.S. President Bill Clinton in Washington. Perez Balladares does not anticipate "any difficulties" in the fulfillment of the steps the United States must take to return the Canal. Perez Balladares, who returned tonight to Madrid on a private two- day visit, will fly on Sunday to the United States, where he will hold several meetings in the coming week with bankers and reporters. The last leg of his tour will be a 22 July visit to Mexico, where he plans to meet with President Carlos Salinas de Gortari.

Ministers on Talks With U.S. on Haitian Issue

PA1507015794 Panama City Circuito RPC Television in Spanish 2300 GMT 14 Jul 94

[Report by Victor de la Hoz from the "RPC Television News" newscast]

[Text] U.S. diplomatic officials have continued to talk about the Haitian refugees with the national government, but President Guillermo Endara has not changed his mind. According to the information gathered on the meeting, which was held at the Palace of the Herons, the officials discussed several issues of importance to Panama and the United States, but they mostly talked about the Haitian refugee crisis. The meeting was attended by U.S. Charge d'Affaires Oliver Garza, acting Foreign Minister Roberto Aleman Zubieta, and Government Minister Jacobo Salas.

U.S. Charge d'Affaires Garza refused to make any statements on the Haitian refugee case to the media as he was leaving the Palace of the Herons.

[Begin Garza recording] You will have to ask the Panamanian Government. They have made a decision, published their position, and are the ones who will have to talk if.... [end recording]

For his part, acting Foreign Minister Aleman Zubieta reiterated that President Guillermo Endara Galimany will not change his position on the Haitian refugees crisis.

[Begin Aleman recording] His position is known. The president said he ended the negotiations because the original proposal had been changed. [end recording]

Meanwhile, Minister Salas reported the results of the meeting.

[Begin recording] [Salas] We only talked about the situation at the meeting. The Haitian problems is a serious problem for the United States and we will continue to talk about the matter. But right now it is only talk.

[Reporter] Was there any pressure?

[Salas] I beg your pardon?

[Reporter] Pressure?

[Salas] I do not think there can be any pressure. President Endara was very clear, and I do not think he will allow himself to be pressured. [end recording]

Panamanians remain watchful to see what will happen with the Haitian case.

CCP Head Supports Admission of Haitians

PA1407164494 Panama City EL PANAMA AMERICA in Spanish 14 Jul 94

[Report by Juan Pritsiolas]

[Text] Ricardo Duran, president of the Chamber of Commerce, Industries, and Agriculture of Panama (CCP), has accepted the possible admission of Haitian refugees to Panama, but under a series of conditions.

We feel we must "let in" a number of Haitians for humanitarian reasons, but the United States must bear the responsibility of the expenses caused by the foreigners, Duran has said.

The labor leader has said Panama does not have the "capability to assume the economic burden" the Haitians would represent, especially because there has been a budget cut.

Ricardo Duran has also stressed the fact that Panama does not have the health, education, or housing infrastructure to admit the 10,000 Haitians who were to have been received.

Duran has reiterated in his statements that the United States must "bear the costs" of the Haitians if Panama finally decides to admit the refugees.

The business leader has recognized the ban on any transactions with Haiti has affected Panamanian businessmen, including those involved with tourism and those who operate in the Free Zone, who sell goods totaling 40 million balboas to the Caribbean island.

Duran and other board members have also announced the Conciliation and Arbitration Center of the Chamber of Commerce [Centro de Conciliacion y Arbittraje de la Camara de Comercio] has begun operations as a "rapid, effective, private, impartial, economic, and specialized system for resolving conflicts."

Editorial on People's 'Uncertainty' Over Haitians

PA1407170594 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jul 94 p A4

[Editorial: "What Is the Truth About the Haitian Refugees?"]

[Text] After the bitter controversy of the past few days, the Panamanian people have been put in the most regrettable uncertainty. People everywhere keep asking: Are the Haitian refugees coming or not? There is great

confusion among the public. All sorts of speculations circulate. The situation was created by the contradiction between President Guillermo Endara, who has said he will not change his position of not accepting Haitian refugees as he had previously offered, and President-elect Ernesto Perez Balladares, who, before departing for Spain, said he is willing to permit the presence of a limited number of Haitian refugees in the country, under certain conditions, as soon as he assumes office as president of the Republic on 1 September.

The problem created by the U.S. Government, which has asked Panama to accept 10,000 Haitian refugees, has caught our people's undivided and concerned attention for more than a week. The international media have also closely followed the events in our country. There is disagreement, ironically, among our own government and political leaders. We agree with those who argue Panama should not bear the burden by itself. We share the view of those who say the Panamanian people have usually been charitable and sympathetic toward others' grief. This solidarity should be shared, however, by all signatory countries of the UN Charter.

We are primarily concerned about the failure to comply with the agreements that will be the basis for the presence of the Haitian refugees in the country. International agreements, historically, are those most often violated. Regardless of whether the refugees are accepted at an island or on military bases along the shores of the Panama Canal, the risk of their scattering over the entire country is always there. There is sufficient evidence of such an occurrence. Let us keep in mind the large number of Cubans who arrived in Miami during the Mariel boat operation. Hundreds of them were detained in U.S. prisons months later. Despite all the U.S. authorities' organization and control, it was impossible to keep the Cubans from scattering. Many of them failed to obey U.S. laws. The repetition of such an experience would prove fatal for our economy and social coexistence.

The Panamanian people are, understandably, concerned over the most recent events. It has been reported many of these refugees are already at military bases, despite President Endara's opposition. These speculations keep the Panamanian people on tenterhooks. They accept the idea deep in their hearts of receiving a certain number of refugees but never in the number arbitrarily assigned to us and in the manner in which it has been planned. A situation we do not deserve has been created for us. Our country is striving for the solution of its problems. Solidarity and humanitarianism begin at home. Our leaders must comprehensively clarify for us the true situation regarding the presence of Haitian refugees, now or later.

Our people would have to put up with all the inconveniences derived from a failure to comply with any agreements that might be signed. In view of the controversy and uncertainty our fellow citizens have been experiencing, the most sensible thing for President Endara and President-elect Perez Balladares to do would be to consult with the most important sectors of the Panamanian people. After a consensus is established, a more appropriate decision could be made. This is the most sensible and convenient position in view of the present disagreement. It would be a democratic solution to which no one could object, regardless of the outcome of this complicated problem.

President-Elect on Closure of U.S. Military Bases

PA1407182994 Panama City Telemetro Television Network in Spanish 1730 GMT 14 Jul 94

[From the "Telemetro Reports" newscast]

[Text] During his visit to Spain, Panamanian President-elect Ernesto Perez Balladares has discarded the possibility that the United States will impede delivery of the Panama Canal to Panama.

Regarding the closing of U.S. military bases in his country, the president-elect admitted these closings will have a negative impact, but, he said, the bases exist due to military needs, not economic conveniences.

Argentina

Foreign Minister Under 'Attack' Over Falklands

PY1407134394 Buenos Aires LA PRENSA in Spanish 13 Jul 94 p 3

[From the "Between the Lines" column]

[Text] Extensive reports were published this weekend on a bill that has been drawn up by various Justicialist Party deputies, headed by Florencio Acenolaza, the Chamber of Deputies Foreign Relations Committee chairman. The bill asks the government to open bids for exploiting the Malvinas Islands offshore petroleum areas. This overture has been interpreted by the Foreign Ministry as an attack against Foreign Minister Guido Di Tella, as it is directly aimed at his strategy of compromising with the British and the Kelpers to break the conflict over the group of islands.

Acenolaza agrees in his criticisms with Mario Campora, the Argentine ambassador to the United Kingdom, in the sense that under the management of Di Tella Argentina is granting too much and is receiving nothing in exchange from the Foreign Office, which might in the future compromise the claims of sovereignty over the islands.

As Acenolaza is politically linked to Presidential Secretary Eduardo Bauza, and Campora to Senate President Eduardo Menem, Foreign Ministry sources are already talking about a pincer strategy against Di Tella that might compromise his stability.

Bolivia

Concern Expressed Over Chilean, Brazilian Border Violations

PY1407190194 Cochabamba LOS TIEMPOS in Spanish 5 Jul 94 p A2

[Text] La Paz, 4 Jul (LOS TIEMPOS)—The Defense Ministry and the Armed Forces Command expressed today their "growing concern over the frequent violation of international treaties and agreements" signed by Bolivia with neighboring countries, especially with Chile and Brazil.

After having carried out a routine inspection of several military units over the last few days, Armed Forces Commander General Fernando Sanjines Yanez expressed his concern over the borders with Chile and Brazil.

Gen. Sanjines, who traveled with Defense Minister Raul Tovar Pierola, suggested that this issue should be considered by the Bolivian Government "in strict secrecy."

Sanjines said that the Armed Forces are making great efforts, in accordance with their economic possibilities, to watch over the border regions with the deployment of military forces and the construction of a better garrison infrastructure in the international zones.

He pointed out that periodic and surprise visits are made to military units, harbor master's offices, and Army advanced posts.

He reiterated that an official Foreign Ministry report on the peaceful settlement of Brazilians on the banks of the Kapirran and Abuna Rivers in the northern part of Beni Department has yet to be released.

Defense Minister Raul Tovar Pierola said that his ministry began to evaluate the reports on the settlers some days ago, in order "to be able to take the appropriate measures" soon.

Vice Admiral Remberto Berrios, who verified the reports of the peaceful settlement of Brazilians on national territory, went to the conflict zone a few days ago and brought back pictures and documents proving the "violation of international treaties" in the northern part of the territory, which is over 3,000 km long.

Military Chief Discusses Economic Situation

PY1407180794 Cochabamba LOS TIEMPOS in Spanish 2 Jul 94 p A3

[Text] La Paz, 1 Jul (LOS TIEMPOS)—The military high command yesterday said that it is the Armed Forces' "duty and need" to adapt to the economic, political, and social conditions prevailing in the country.

"We are realistic and respect the great efforts being made by the government to promote financial growth in Bolivia," they said categorically.

Air Force General Fernando Sanjines Yanez, commander in chief of the Armed Forces, said that the "impoverished situation of the Armed Forces, partially reflected in their low military salaries, is a permanent concern," but within the framework of the possibilities of the national Treasury "they will gradually improve."

Sanjines, who said he favors radical measures to "improve the institutional lives of his members" announced the construction—soon—of military housing and the increase of medical services over the entire country.

"One of the ways to improve the monthly income of the officers, noncommissioned officers, majors, captains, colonels, and generals, is by providing their families with basic infrastructure, health, and educational services," Sanjines said. He also maintains that the military institution "shares, together with other public sectors, the low economic growth index of Bolivia," adding: "We must do so."

Finance Ministry Denies Recession Claims

PY1507001494 La Paz LA RAZON in Spanish 5 Jul 94 p B3

[Text] Finance and Economic Development Minister Fernando Cossio has said that "all the political claims that the economy is undergoing a recession do not reflect the real situation." The minister noted that government figures reveal growth in various areas of the production and services fields.

"There is recession when the economy is at the point of zero," the minister said in response to some entrepreneurs and political leaders who criticized the performance of the economy.

Over the weekend, the National Statistics Institute (INE) reported that during the first five months of the year, the economy grew by 4.1 percent.

According to Cossio, some sectors grow faster than others, but he ruled out the possibility that such differences might be the result of a recession.

Petroleum byproduct refining, the generation of electricity, and agricultural production have begun to grow, while other sectors such as construction are declining after a boost in 1993. This decline has been fostered by market saturation, Cossio said.

He explained that, during its first months in power, the government resolved the problem of the debts inherited from the previous administration, which signed contracts without having enough funds.

He said that the obligations owed to construction companies are gradually being honored, giving assurances that there are funds for the payments to those enterprises.

Concerning the People's Participation project, Cossio reported that implementation of the program has begun with the transferring of funds to municipal governments and development corporations.

He added that, in keeping with the People's Participation Law, funds have been transferred to municipal governments since 1 July.

Brazil

PT Reaffirms Confidence in Lula Running Mate

PY1407113994 Sao Paulo AGENCIA ESTADO in Portuguese 2239 GMT 13 Jul 94

[By Lucia Helena Gazzola]

[Text] Sao Paulo, 13 Jul (AE)—After long meetings, first with Senator Jose Paulo Bisol (Brazilian Socialist Party-Rio Grande do Sul) and then with Luiz Inacio Lula da Silva, Workers Party [PT] President Rui Falcao today stated that "there is no reason" to replace Bisol as the PT vice presidential candidate despite the various charges of irregularities brought against him. Falcao said that Lula will meet tomorrow at 1100 with the team of coordinators of his campaign—which consists of the main PT leaders—to outline "a strategy to put an end to the slanders brought against Bisol."

According to Falcao, Bisol denied having prepared a letter of resignation and denied that his candidacy would be dependent upon Lula's decision. Falcao said: "This is not true. There is neither a letter of resignation nor pressures from the PT for Bisol to withdraw his candidacy." Falcao added that after his meeting with Bisol, he would be "surprised" if Bisol resigns, even though "life is always full of surprises."

PT Secretary General Gilberto Carvalho stated that in light of the scheduled meeting of the campaign coordinators, and the meeting between Lula and Bisol, "everything indicates" that Bisol will stay on the ticket. Carvalho added: "All of the explanations he has given us are convincing, and we are certain that he has not done anything illegal."

Carvalho said the PT is cautiously handling the issue and that he will not prejudge the PT vice presidential candidate. He said: "We would be electoral opportunists if we replaced him like this. We will resist the pressures, and we will take action only if substantive evidence is produced." Within the next 48 hours, Carvalho hopes to receive from Bisol documents showing that he has not "violated the code of ethics." He said: "We are rigorous about ethical issues and would not keep him on the ticket if we did not believe his explanations."

Correction on Roundup of Economic Reports

PY1207202794

The following correction pertains to the item headlined "Roundup of Economic Reports" published in the 11 July Latin America DAILY REPORT, pages 38-40:

Page 39, paragraph three, sentence two, reads ... $2.872 billion, of which $2.527 billion stems from trade operations and $344 million from financial operations... (correcting figures)

Chile

Cuban Consul Views Ties Before Robaina Visit

PY1407181794 Madrid EFE in Spanish 2201 GMT 13 Jul 94

[Text] Santiago, 13 Jul (EFE)—Cuban Consul General Humberto Hernandez said today that his government maintains a posture of waiting and patience regarding any decision by Chilean President Eduardo Frei on the full reestablishment of diplomatic relations between the two countries.

Chile and Cuba have been maintaining only consular and commercial relations since 19 July 1991, after the

meeting between Fidel Castro and then Chilean President Patricio Aylwin during the First Ibero-American Summit in Guadalajara, Mexico.

The two countries broke diplomatic relations after the 11 September 1973 military coup headed by General Augusto Pinochet, who stayed in power until 11 March 1990.

Hernandez said that bilateral relations "are good, even though they are only consular relations."

He added that within this context many links of an economic, commercial, or tourist nature have been developed, reaching a "just and adequate" level.

Asked if the upcoming visit by Cuban Foreign Minister Roberto Robaina on 22 August may be the beginning of diplomatic relations between the two countries, Hernandez said he could not make any assurances of that.

"I believe there is always that possibility," said Hernandez, who added that Havana maintains a posture of waiting and patience, in the sense that "that step may be taken, when the Chilean Government decides, when the conditions exist."

Regarding the tour by the Cuban foreign minister, Hernandez said that Robaina will stay three days in Chile and then leave for La Paz, Bolivia.

Hernandez noted this is the first time the Cuban foreign minister has visited Chile after the reestablishment of consular relations.

He pointed out that the visit will serve to review the level of relations between the two countries, to study different issues of interest to the two governments, and to discuss some issues related to the international situation.

In an interview with the government daily LA NACION, Chilean Foreign Minister Carlos Figueroa declined to comment on whether the upcoming visit by the Cuban foreign minister is an important step for the resumption of diplomatic relations. He preferred to label the visit "as a gesture of rapprochement from that country."

Figueroa said that "there is no democracy in Cuba, there is a regime that oppresses the people, and human rights are not respected," but noted, however, that "this does not mean that the establishment of respective embassies is conditioned to the above."

Pinochet Comments To CNN Stir 'Polemic'

PY1407114794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 14 Jul 94

[Text] The comments made by Army Commander General Augusto Pinochet to the U.S. television network CNN have stirred a polemic in Chile. Pinochet told CNN that 2,000 missing people is nothing to a country with 13 million inhabitants.

In comments to CNN, Gen. Pinochet said that the sad episodes of the past must be forgotten. Admitting that people were tortured during his administration, Pinochet asserted that both parties were responsible for this. He added that he does not believe Mr. Rettig [head of the Truth and Reconciliation Commission] or the other members of the commission.

Regarding the missing people, Pinochet said that Chile has 13 million inhabitants; therefore, 2,000 people out of 13 million is nothing.

[Begin recording] [Christian Democratic Party President Gutenberg Martinez] We believe Pinochet's comments are serious; they reveal why human rights were violated under his government, as was established by the Truth and Reconciliation Commission, and they reveal his lack of solidarity with the rest of the Chilean inhabitants.

[Independent Democratic Union leader Andres Chadwick] Obviously Gen. Pinochet's comments are understandable because there have been some discrepancies in the report issued by the Rettig commission.

[Unidentified National Renewal Party legislator] As long as this country lives in the past, it will not be able to attain a reconciliation. In this sense, I want to mention Gen. Pinochet's urge for a reconciliation, his urge to look toward and work for the future.

[Party for Democracy's Segio Bitar] His comments show that he despises the human being, and this is not in keeping with our desire to become reconciled, to have a sound democracy. Gen. Pinochet must give the country an explanation of what he has said. His comments are very serious. [end recording]

Bitar announced that tomorrow he will raise Pinochet's comments for discussion during the Senate session.

In this regard, the Army stated today that Gen. Pinochet's comments regarding the arrested missing people were reproduced out of context because he was not referring to the value of life but rather to the consequences of an eventual civil war.

Interior Minister: Stange Case 'Considered Closed'

PY1407114294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 14 Jul 94

[Text] Interior Minister German Correa said that General Rodolfo Stange's case was considered closed after he announced his decision to resume his post as Carabineros director general.

[Begin recording] [Correa] The government was quite clear in the communique issued through the defense minister. Gen. Stange has fully resumed the duties of his post as established by the Constitution and the laws. The Defense Ministry's declaration is quite clear in the sense that the government would have preferred that the situation be different.

[Unidentified reporter] Does this mean the government regards this case closed?

[Correa] The case is closed. [end recording]

Colombia

Samper 'Outraged' by Report on U.S. Officials' Comments

PA1507014694 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Jul 94

[Report by Jairo Gomez from the "Seven O'Clock Newscast"]

[Text] A few minutes ago, President-elect Ernesto Samper Pizano issued a statement which says the following:

1. I am truly outraged by this news agency's [UPI] information, which, supposedly based on statements by U.S. Government officials, seeks to besmirch without justification the name of institutions and individuals in Colombia, beginning with the president of the Republic.

2. The national public has the right to know what lies behind this slanderous campaign.

3. I have personally asked the president of the Republic to request that the U.S. Government, especially the State Department, clarify its position on Colombia and state whether there is some truth behind this information.

4. I am even more surprised by this ill-willed report when just yesterday I received a letter from the U.S. President recognizing Colombia's efforts in the struggle against drug trafficking.

Those are the main points in the statement issued a few minutes ago by President-elect Ernesto Samper on the issue of drug trafficking and reports from the United States.

Officials React

PA1507013794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Jul 94

[From the "Seven O'Clock" Newscast]

[Text] Colombia's displeasure with the United States turned into genuine indignation in the wake of a UPI news dispatch circulating the world over claiming—without citing responsible sources—that the Clinton administration concluded that President-elect Ernesto Samper and Colombian Police Chief General Octavio Vargas are linked to drug trafficking.

The State Department, however, told the Colombian ambassador to Washington that the report is a lie. Let us first review the charges leveled against Samper and Vargas by the UPI news dispatch:

[Begin recording] [Unidentified reporter] Regarding Samper, it states that the Clinton administration concluded that he did receive $3 million for his campaign from powerful drug traffickers and that the United States cannot prevent him from assuming power. As for Police Director Gen. Vargas, it states that he seems tainted [manchado], that they had suspected for a long time that he had lucrative ties with drug traffickers, and that he was banned from returning to the United States.

The "Seven O'Clock" Newscast talked to (Sid Balman, Jr.), author of this article, who told us about the origin of his information:

[(Balman), in English] It was about a two-week investigation on my part. Numerous officials at the State Department, the Defense Department, and the White House talked to me about this, but...

[Reporter] President Gaviria's administration and the incoming Ernesto Samper administration said the UPI news dispatch is irresponsible. A careful analysis of the international news dispatch also revealed a number of inaccuracies that reflects its lack of credibility:

1. The information circulated worldwide by the UPI News Agency, which was written by journalist (Sid Balman, Jr.), failed to cite responsible sources and refers only to officials at the State Department and the U.S. intelligence services who asked to not be identified.

2. The reporter's inaccuracies reached such heights that he identified Gen. Vargas as police chief of the Samper administration.

3. In reference to the alleged conclusions of the United States regarding Samper and Vargas, the journalist quoted a U.S. official who said that the conclusion was reached through conventional wisdom.

4. He claimed that the Colombian Government concluded that two of the narco-cassettes are valid, and that is untrue. [end recording]

Speaking on behalf of the Samper camp, Government Minister-designate Horacio Serpa said this is a barefaced lie and he added that clarity is required in our relations with the United States:

[Begin recording] [Serpa] This has all the characteristics of a barefaced lie. In the beginning I thought it was a conspiracy against Dr. Ernesto Samper, but this is a conspiracy against Colombia. This does not in any way reflect the country's real situation. The country is completely saturated by these situations, which are annoying and inadvisable for our homeland. Colombian authorities know about this and are investigating.

[Reporter] Is it necessary for Dr. Samper to request a clarification, to sit down with the State Department to clarify what it is that they wan, and how far they are willing to go?

[Serpa] All Colombians are demanding this. This is against Colombia, this is seriously hurting the country. The United States must clarify this. They are the ones who should make all the clarifications that this case warrants. [end recording]

Ambassador Asks For Clarification

PA1507014994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Jul 94

[Report by correspondent Daniel Rocha in Washington D.C., from the "Seven O'Clock Newscast"]

[Text] The UPI report this morning in which (Sid Balman) describes the Clinton administration's conclusions about the audio cassettes implicating President-elect Ernesto Samper and General Octavio Vargas Silva has obviously prompted a press conference here at the Colombian Embassy in Washington.

[Begin recording] [Colombian Ambassador Gabriel Silva] I have already been in contact with the officials in charge of Colombian affairs at the State Department. I asked for their explanation of the report. They told me outright that the report was not official and that it does not reflect the U.S. Government's opinion or that of President Bill Clinton. They say the report is false and they called it irresponsible. This simply means that the U.S. State Department has clarified beyond any doubt that the information is irresponsible, misleading, and does not reflect any kind of reality.

[Rocha] Mr. Ambassador, what about Gen. Vargas' visa?

[Silva] I did not ask about that specific issue. They told me that the report is irresponsible and the information is false. I suspect they mean everything there. [end recording]

Gaviria Makes 'Harsh Reply' to U.S. Criticism

PA1507010694 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] President Gaviria made another harsh reply to the United States today for its criticism of our country's struggle against drug trafficking. The head of state made those statements at Yarumal, Antioquia, where he inaugurated several government projects.

[Begin Gaviria recording] Today, when the international community hypocritically turns to point an accusatory finger at Colombia and to cast doubts on our institutions, we must tell our fellow citizens that we will continue firmly on our path. This country has sacrificed the lives of its best men in the struggle against drug trafficking and has done so with the profound inner conviction that we are defending what is right: the survival of our democracy and the supremacy of our values. No one, no country, no government, no official has the moral authority to question us, to look into our eyes and tell us that we are not doing enough in the struggle against the drug cartels. Nobody can judge without Colombia without looking at his own mistakes. [end recording]

Condemns International 'Hypocrisy'

PA1507000494 Paris AFP in Spanish 2248 GMT 14 Jul 94

[Text] Yarumal, Colombia, 14 Jul (AFP)—President Cesar Gaviria today once again reaffirmed Colombia's policy of waging a frontal assault on drug trafficking and rejected claims from abroad that this effort is becoming weak and lenient.

At the inauguration of a company that grows mushrooms in this town near Medellin in northeastern Colombia, the chief of state said vigorously: "No one, no country, no government, no official has the moral authority to question us, to look into our eyes and to tell us that we are not doing enough in the struggle against the drug cartels. Nobody can judge Colombia without looking at his own mistakes."

After admitting that "more can be done and that the enemy is powerful,because it bribes, threatens, and intimidates," Gaviria demanded greater cooperation from the international community to eradicate this scourge.

"That is why when I see how we are questioned, when I see that we are mistreated, when I hear the harsh statements from anonymous officials who will not show their faces, when I see how doors are slammed against us, I think the only ones who are benefiting, the only ones who enjoy this sad show are the drug cartels," the leader added.

After defending the official strategy against this crime, which is subject to adjustments, and after recalling the large number of Colombians who have lost their lives in this unequal battle, Gaviria said:

"I will say this one more time. We are not fighting drug trafficking out of mere stubbornness, or because it is in vogue, or because it is an imposition of foreign powers: We are doing it because we have personally paid the price of indifference, of looking the other way, of being complacent about crime."

After repeating his call for world solidarity to combat this scourge, the president said "Colombians, as proof of our goodwill, have said nothing in the past two years as consumption increased in industrialized countries and as international aid dropped significantly."

Gaviria added that "it seems ironic that they want to take the hardline with us when they are incapable meeting the same standard when it comes to their own cartels, their own manufacturers of weapons and precursor chemicals, and their own banks."

He repudiated "the hypocrisy of the international community that is again pointing an accusatory finger at

Colombia and casting doubts on our institutions." He added that Colombia is convinced that it is defending the right thing: "The survival of democracy and the supremacy of our values."

Gaviria's statements came in the wake of a vigorous note sent this week to the U.S. Government refuting claims of an alleged weakening of Colombia's attitude toward drugs in view of benefits granted by the legal system to drug traffickers who surrender voluntarily.

As a result of that policy, the United States stopped its judicial cooperation with Colombia several months ago and on Monday canceled a meeting between National Police Commander General Octavio Vargas and leaders of the DEA and of other U.S. counternarcotics organizations.

Content, Implications of 'Narcocassette' Viewed

94WD0465Z Santa Fe de Bogota SEMANA in Spanish 28 Jun 94 pp 22-27

[Text] The Friday before the elections, EL TIEMPO's deputy editor, Enrique Santos Calderon, received a manila envelope containing a cassette in his office. In the rush of that preelection weekend he did not have much time, so he turned it over in a routine manner to a reporter and asked him to find out what it was about. Shortly afterward, the reporter returned and without much enthusiasm told Santos: "I think it is a conversation between prisoners or something like that. It seems to be about the criminal world." On the next day Santos gave it to the newspaper's legal reporter, Edgar Torres, asking him to determine its contents more precisely. Torres went to listen to the tape and when he came back, gripped with nerves and excitement, he told his boss: "This is dynamite!"

That description was certainly an understatement. For if anything explosive has happened in Colombia recently, it is what is now known as the "narcocassette." The first to receive it were Santos Calderon and a U.S. correspondent of a Dallas newspaper. Then some copies began to circulate, some of which got to the newspaper EL ESPECTADOR and the news show QAP. Given the implications of the tape's contents, everybody was talking about the cassette but nobody dared publish the conversations it contained. On Tuesday the scandal finally exploded. Rumors began to circulate that the news program 24 HOURS had decided to make it public. Alvaro Gomez Hurtado, who rarely goes to the office although he has been affiliated with its political department for years, that afternoon went in person to supervise the broadcast. While that was going on, Ernesto Samper appeared in the office of Colombia's prosecutor general, Gustavo de Greiff, to seek an investigation of this matter.

The Scandal Erupts

That night the lead story on all the television news shows was the narcocassette. For the first time the Colombian people heard why in his speech acknowledging his defeat Andres Pastrana had uttered the following phrase: "The president who has received money from the drug traffic has no moral authority to lead his people." The conservative candidate had actually received the tape four days before the elections and had turned it over to the president and the defense minister. But Pastrana going to the president and Samper to the prosecutor general was one thing, and the public revelation of such a hot potato was something else. Ernesto Samper held an improvised press conference on this issue, in which he forcefully rejected all the accusations suggested in Pastrana's charges and by the tape. He said that the tape in question not only involved his campaign, but also that of his conservative rival. The television viewers, who still understood little of what was going on, saw a president-elect who was specific, resolute, and persuasive.

Little can be added about the contents of this cassette or the enormous damage it has caused to Colombia's image. It is important to put this entire episode into its true perspective without personalized and partisan dimensions of any nature, which have distorted the debate in Colombia.

The first thing that should be remembered is that the cassette is completely real, and was not faked or altered in any way. It contains conversations between Alberto Giraldo and Gilberto Rodriguez Orejuela, and they are the two people most damaged by the publication of these conversations. Giraldo has "committed civic suicide," as he himself stated, by being revealed to the nation as the financial intermediary of the Cali Cartel. As for Gilberto Rodriguez, the revelation that he has been trying to buy political power only further hardens national and international public opinion against him.

The big question is who made the recordings. SEMANA determined that this was an operation conducted by the Cali Investigation Group and the U.S. DEA [Drug Enforcement Administration]. As part of the effort to track the Rodriguez brothers, both organizations had tapped a line that Giraldo uses frequently, but which he never thought could be found.

What is not very clear is why a tape obtained by the intelligence services ended up in Andres Pastrana's hands. People in charge of the Samper campaign say that, as the Cali Investigation Group was part of the Army, the cassette must have gone to Minister of Defense Rafael Pardo. His wife is Claudia de Francisco, the right hand of Andres Pastrana, so they deduce that he passed on the tape to her, and she in turn informed the conservative candidate.

That assertion is, however, somewhat rash, as involving the defense minister in an election campaign is a very sensitive matter. If true, the minister would have been making private and partisan use of information obtained in the course of his public duties, instead of turning this information over to the prosecutor through normal channels. Neither the image nor the reputation of Pardo

support this accusation. And Andres Pastrana still insists that an unknown person gave it to him in the lobby of the Cali Intercontinental Hotel.

Hot Money

Leaving aside its origin, the explosive element of the cassette is its contents. The world of Gilberto Rodriguez appears in the tape as a sort of central bank through which a good part of Colombia's political establishment marches in search of financing. According to its contents, representatives of the two parties both approached him, directly or indirectly, and so both of the two official candidates have been besmirched by this.

How can this situation be explained? The first thing to remember is that drug trafficking money cannot be absent from national political life for the simple reason that drugs are Colombia's biggest business. Consequently, their influence permeates all levels of society. This may not be much in evidence in Bogota. But in small and midsized cities it is an undeniable economic and social reality. Some towns are as controlled by the drug traffic as others are by the guerrillas. Public authorities have to live with this phenomenon.

For this reason, a good part of politics in the provinces runs on hot money. Anyone who wants to be elected in some midsized cities has to seek money from the town's wealthy people to finance his campaign. And today the town's wealthy citizens, unfortunately, are mostly drug traffickers. Politics is getting more and more expensive and the drug traffickers are the only ones with liquidity and generosity to spare.

Earning Indulgences

In addition, the drug traffic is one of the few sectors that has a fundamental interest in gaining political influence. Not only for reasons of gaining social acceptance, but also because in the provinces the local political bosses are emperors. A regional politician is essential, and one on a national level never hurts. In the region, his help may be useful in any legal or illegal operation. And that same politician in Congress may mean the difference between legislation that is favorable or unfavorable to their interests. So at the present time there is considerable penetration by hot money in Parliament.

Because of Escobar's excesses, specifically narcoterrorism, for some years there was a sense of shame and guilt about these resources. Now that Escobar is dead and a form of nonviolent drug trafficking has developed, these inhibitions have been somewhat relaxed. Now the drug trafficker is viewed by some, as he was at the end of the 1970's, more as a benefactor than as a criminal.

That describes the regional situation. On a national level, a somewhat different situation has arisen. The *peaceful* disposition of the Cali Cartel, combined with the disappearance of the Medellin Cartel, have produced what could be called the biggest economic group in the nation, and probably one of the biggest in the world. Because of its size alone, it irrigates the entire national economy, and its greatest aspiration is political influence. And not simply for abstract reasons, but some very specific reasons.

The people considered the heads of the Cali Cartel now have an unclear legal status. Everyone knows who they are and what they are doing. But nobody has been able to prove this convincingly. If the law were applied strictly, many of them would have to be cleared because of the shaky nature of the evidence against them, and because of their economic power to fight legal battles. Still, for political reasons, few people would dare to find them not guilty at the present time. That is why the alleged leaders of the Cali Cartel—the Rodriguez Orejuela brothers, Jose Santacruz, and Pacho Herrara—are living in a sort of limbo where they can be neither be cleared nor convicted. Their legal proceedings are dragged out by using whatever legal technicality may be at hand. Interested in resolving this situation, their goal is to obtain the most lenient treatment possible. That treatment will have to be determined jointly by the next government, the new Congress, and the present prosecutor. For these reasons, scoring points with these three branches of the government is essential for the cartels' fate. And there is no point more specific than a substantial check to finance an election campaign.

Not the President

In this context, everyone who hopes to be president of Colombia has to combine this reality with another that is diametrically opposed: the requirement that the president obey a higher ethical standard than those applied to regional leaders. This has been a constant throughout all of Colombia's history. Even though for years Colombia has been cited internationally as a narcodemocracy, what has deprived this charge of legitimacy is the fact that the presidency has never been implicated in this. Cases like that of Manuel Antonio Noriega in Panama or Luis Garcia Meza in Bolivia would be absolutely unthinkable here. Not only because of international policy requirements, but also because of the zeal of public opinion on a national level.

For this reason, the major requirement for everyone who wants to be president of the republic is to create distances from the drug traffic for ethical, moral, and strictly practical reasons. The one thing that would inevitably put a resounding end to a presidential candidacy is a proven connection with hot money. All of the media, and the ruling class as a whole, would demand the withdrawal of such a candidate. Particularly in a country where a bloody 10-year war was fought to defend those principles. So presidential politics is a game in which drug traffickers try at all costs to infiltrate their money, and the candidates at all costs try to prevent this.

As a result, in Colombia the prerequisite of all presidential candidates is to avoid any association with the drug traffic. With its penetration into all spheres of national life, almost everyone can be the target of any direct or

indirect link with hot money. This can taint the image of any candidate, even without any real basis in fact. As an example, Andres Pastrana has three first cousins who were sentenced to jail for drug trafficking or money laundering, though he had nothing at all do to with it. In the midst of the campaign he faced the problem that one of them, Gustavo Pastrana, had used the name of Andres and his candidacy while talking with undercover DEA agents in Miami, and this produced some cassettes as compromising as the one that has come to light now. Pastrana emerged unscathed from this scandal because, miraculously, on that day Pablo Escobar was killed, and because all of the ruling class knew he was innocent and that his name had simply been used. In Samper's case, there were also possible associations with the drug traffic, more direct than in Pastrana's case. Two isolated events of his career, separated by a number of years, could be combined to make him a potential target for a political attack. The first, in 1976 when he was director of ANIF [National Association of Financial Institutions], was his proposal to legalize marijuana in the Sierra Nevada of Santa Marta. The second happened when, in his capacity as coordinator of Alfonso Lopez Michelsen's campaign in 1982, he attended a meeting in Medellin where the Antioquia regional treasurer accepted 26 million pesos from people who in two years were to become the leaders of the Medellin Cartel. The two episodes had no importance at the time, but years later they do. The legalization proposal was a youthful whim on the part of an association leader before the cocaine business existed. And Escobar's financing was received in the context of somewhat dubious capital in 1982, which had a dimension associated more with new *get-rich-quick schemes* than with criminal activity.

Better To Prevent

Expecting that in a political campaign like the 1994 campaign—which promised to be dirty—it was inevitable that these two facts would be used against Samper, a preventive strategy was designed. The central aspect of this strategy was to guarantee that the campaign's financing was clean. For this purpose, extreme mechanisms were created to check the origins of funds entering the campaign treasury. A new legal entity was set up, the Modern Colombia Association, and three levels of approval were created for accepting any donation exceeding 1 million pesos.

The first was the individual opinion of the campaign's treasurer general. The second was the approval of each contribution, given in writing by the manager. And the third was that every week all contributions had to be reviewed by the association's board of directors, chaired by Fernando Botero as the campaign coordinator. In addition to these internal voluntary controls, there were two compulsory external controls: review by the Treasury Inspector—whose severity is now legendary in Colombia—and by the National Election Council.

Finally, in September 1993 the Samper campaign decided to create the position of ethics overseer to control all these activities. Jorge Valencia Jaramillo was selected for this post, based on his dual qualification of having been active in New Liberalism and being a senator from Alvaro Gomez's National Salvation Movement.

These measures had a single purpose: to keep drug trafficking money out of the campaign. Similar steps were taken by Andres Pastrana's campaign with an identical purpose. And even so, those structures were not sufficient to neutralize international suspicions. In a visit to the U.S. State Department at the end of October 1993, Ernesto Samper was informed by the Undersecretary for Interamerican Affairs, Alexander Watson, of an intelligence report stating that the drug cartels had decided to infiltrate both Samper's and Pastrana's campaigns. This only increased their preventive efforts.

New Treasurer

During the first phase of the Samper campaign the former minister of justice, Monica de Greiff, was named treasurer. She lasted only four months, then the post had to be made full time, and she decided to stay at Shell. The Samper campaign managers replaced her with Santiago Medina, whose past experience included serving as treasurer of Luis Carlos Galan's campaign, deputy treasurer of the Cesar Gaviria campaign, and treasurer general of the Liberal Party. He is the person referred to in the tape transcripts by the nickname of "Santi."

Medina is mentioned in a way that tends to incriminate him because of the familiarity of this reference, but which exonerates him based on the content. The clear impression remains that the Rodriguez brothers do know him and that he has spoken with them. But the conclusion of these conversations is that he told them that the money from Julio Mario Santo Domingo was sufficient to finance the campaign. Alberto Giraldo contradicted this statement in his conversation with Gilberto Rodriguez, saying "that really could not be right," as the Santo Domingo Group had to have a limit. The figure of 3 billion additional pesos was mentioned, and Rodriguez agreed to provide it. In other words, Giraldo contradicted Medina's statement to the effect that they had sufficient resources.

From the cassette's contents it is learned that the Rodriguez Orejuela brothers were trying to reach the campaign through multiple intermediaries. Of all of them, the only one who would directly implicate the Samper campaign is Santiago Medina, through his official post as campaign treasurer.

When questioned by SEMANA about being mentioned in that transcript, he answered: "I do not know the Rodriguez brothers personally. In one of our campaign trips to Cali, I was approached in the lobby of the Intercontinental Hotel by a person who claimed to represent them. He expressed their willingness to contribute to Samper's campaign. I cordially rejected that offer. He then asked me if the group's financing was sufficient, to which I answered affirmatively, as Julio Mario Santo Domingo had decided that Andres Pastrana

would not reach the presidency and had let us know that we could have all the financing we might need. That was the extent of my contacts with the so-called Cali Cartel."

Medina apparently considered it appropriate to report that contact to his bosses, Ernesto Samper and Fernando Botero Zea. In a meeting in the liberal candidate's offices on Avenida de Chile in Bogota, the treasurer told them of the offer and his rejection of it. For obvious reasons, all those present agreed about flatly rejecting the offer.

The fact is that Medina was an outstanding treasurer. As he told SEMANA, during his first eight days in the job he got what Monica de Greiff had not managed to do in four months: 250 million pesos. And from then on he kept a surplus in the campaign's funds almost until the end. This efficiency, which made him the star of the campaign, may at some point be viewed with suspicion in light of the facts now known. Still, it can be demonstrated that Medina knocked on all the doors of the legitimate and traditional financing sources to produce this result.

In the context of the present scandal, Santiago Medina is a controversial person. He was the owner of the well-known Bogota furnishing and decorating boutique, Portobelo, whose exorbitant prices restricted access to very high income people. That is the source of the rumor that many of his clients must have possessed dubious capital of all sorts. This circumstance is significant in the present situation, but even if true, it is not a crime. Anyone who sells luxury goods in Colombia runs the risk that part of his clientele may be associated with money from shady sources.

It is possible, therefore, that the real essence of the narcocassette may center on one point: that Santiago Medina, even though he denies it, may be known by the Rodriguez Orejuelas, as is deduced from the transcript. It is also possible that he may have been contacted by them to discuss money matters. But also, as the transcript indicates, Medina said that the Santo Domingo money was sufficient. This is clear from the contents of the cassette. It has also been established that the offer was conveyed to Samper and to Botero and that it was rejected.

Suspicions

It is certain that that money did not get to the campaign. The contents of the cassette, which was the cause of the charge made by Andres Pastrana, reveal in essence more a transmission of messages than of money. But as there is some disbelief about the different versions of the protagonists and the contents of the recordings, suspicions still hover about this matter.

The central facts are three. In the first place, no one who was with the Rodriguez Orejuelas can acknowledge this. In the second place, Ernesto Samper's campaign did not want or need money from the Cali Cartel, not only for ethical and moral reasons, but also because nobody who is well financed by the establishment and who has a chance of winning the presidency commits the political suicide of accepting a single peso from the Rodriguez brothers. In the third place, it is clear that no drug trafficker is interested in giving money to Ernesto Samper without him knowing it, as the only purpose of making such a donation is the candidate's gratitude.

This is the real dimension of the conversations contained in the cassette. It is unfortunate that because of these tapes the honor of both Ernesto Samper and of Andres Pastrana has been impugned. The first because of actions by intermediaries and the second because of references to an alleged donation of $2 million from the cartel in the northern Valle del Cauca to a political supporter of his named Carlos Ovieda, whose reputation is questionable.

Pastrana has categorically denied those insinuations, and it is clear that he is telling the truth. Just like Samper, he would have committed political suicide if he had accepted hot money. It is one thing to have followers in that world on a regional level, and it is something quite different to accept $2 million in cash.

The absurd thing about the embarrassing episode of the narcocassette is that it has done so much damage to Colombia's image, because of gossip or interpretations originating in evidence provided by drug traffickers and their intermediaries. The plain truth is that both Ernesto Samper and Andres Pastrana are people completely alien to that sordid world. Neither of them deserves the mud that has been thrown on them, nor does the nation deserve it.

Government Opposes Unilateral Invasion of Haiti

PA1407202994 Paris AFP in Spanish 1901 GMT 14 Jul 94

[Text] Santa Fe de Bogota, 14 Jul (AFP)—Foreign Minister Noemi Sanin said on Thursday Colombia opposes a unilateral invasion of Haiti and is inclined toward a stronger diplomatic effort that will allow the return of ousted President Jean-Bertrand Aristide.

In statements made to the private station RCN (Radio Cadena Nacional), Sanin urged Aristide to be more flexible in the negotiations with General Raoul Cedras, who ousted him.

Likewise, she explained that Aristide should allow the coupist military to remain in Haiti after he returns, but she emphatically said the ousted president should again take over the government, because he was the constitutionally elected president. Although Sanin firmly rejected a U.S. unilateral, armed intervention, she hinted of a possible action force stemming from a UN and OAS order.

Sanin criticized the fact all eyes are on Haiti only when such a situation occurs, yet the international community never did anything to improve the situation of extreme poverty that country is experiencing. She added that she trusts that once the coupist military leaves power and the

constitutional president again takes over the government, Haiti will receive firm support to improve the miserable living conditions in that country.

Minister-Designate, Party Head on Prospects for Peace Talks

PA1407152694 Santa Fe de Bogota Inravision Canal A Network in Spanish 0130 GMT 11 Jul 94

[Report by Jorge Enrique Botero; from the "AM/PM" newscast]

[Text] Since the talks failed in Tlaxcala a little more than two years ago, nobody has talked to the Guerrilla Coordinating Board [CNG]. The government that will end has again decided to resolve the guerrilla problem with bullets. At this point, each side has become stronger and the war bigger. Now, on the eve of the inauguration of a new government, the prospects for negotiations with the rebels have been renewed:

[Begin Government Minister-designate Horacio Serpa recording] We want to know what the guerrillas are up to, and we imagine the guerrillas also want to know what the government is doing. [end recording]

With each side walking on separate roads, Colombia is walking amid booby traps, and it does not seem so difficult for the FARC [Revolutionary Armed Forces of Colombia], the ELN [Army of National Liberation], and the Samper government to sit down to talk, more so after Spanish Priest Manuel Perez Martinez sent a letter to Samper proposing a new negotiation.

The president-elect will appoint, together with his cabinet, a high peace commissioner, who will be someone very close to Samper but who will also have a great deal of autonomy to carry out his responsibilities.

How much could those who are willing to achieve peace offer?

[Begin Alvaro Vasquez, president of the Communist Party of Colombia, recording] Certain people must understand they must relinquish some of their privileges if they truly want this country to reach peace and democratic coexistence. [end recording]

Paraguay

Wasmosy Endorses Brazilian WTO Candidacy

PY1407225794 Rio de Janeiro O GLOBO in Portuguese 14 Jul 94 p 18

[By Miriam Leitao, from the "Economic Outlook" column]

[Text] [Brazilian] Finance Minister Rubens Ricupero has received another explicit endorsement of his candidacy for president of the World Trade Organization (the organization that will replace GATT). Paraguayan President Juan Carlos Wasmosy has informed the Brazilian ambassador in Asuncion that the Paraguayan Government will vote for Ricupero.

Peru

U.S. Cooperation With Colombian Military Viewed

PY1507004894 Lima EL COMERCIO in Spanish 7 Jul 94 p A9

[Text] During the first round of talks that began in Lima yesterday, the military high command of Peru and Colombia discussed the priority issue of U.S. cooperation in electronic espionage, which was suspended on 1 May because it was believed it could be used to attack civilian airplanes.

This information was disclosed by General Nicolas de Bari Hermosa Rios, chairman of the Peruvian Armed Forces Joint Command, and General Ramon Emilio Gil Bermudez, general commander of the Colombian Military Forces, in a brief dialogue with the media.

General Hermosa Rios said that President Bill Clinton's decision to make an effort to resume the radar service in the struggle against drug trafficking is very good because it is important that this cooperation be resumed.

He said this is a priority issue that was included in the first day of the talks, although the only thing usually done on the first day is to approve the format for the holding of the bilateral meetings.

"This issue was proposed by the Colombian delegation," said Hermosa, who pointed out there are no indications when the aid would be resumed because that does not depend on Peru and Colombia alone but also on the United States.

This round of talks, which will last until 8 July, is aimed at establishing measures of mutual confidence and discussing matters of common interest, not only to resolve military problems but to help the policies of the two countries.

Hermosa said that in practice, the idea is to formalize the close relations that already exist between the two countries on common issues such as the fight against terrorism, drug trafficking, and other matters.

Hermosa avoided commenting on the release of terrorists "because this is a political issue." He only said the people must have the certainty that no terrorist will remain free."

General Ramon Emilion Gil Bermudez, general commander of the Colombian Military Forces, said that the talks will not only cover military issues but also how to strengthen the social aid programs for the settlements located at the borders of the two countries.

He said health matters in particular would be discussed because the problem of obtaining medical service exists for the people.

Regarding the recent violent events in Colombia, General Gil Bermudez said these events give the impression of a renewed outbreak of violence, but this is not the situation because violence has been reduced in his country. He added: "We hope to continue this process to give the people the peace they want."

He added that the Colombian Armed Forces are fighting and will continue to fight against violence, against all forms of violence and crimes.

Bolivia's Sanchez Comments on Integration

PY1507011294 Lima EL COMERCIO in Spanish 7 Jul 94 p A6

[Interview with Bolivian President Gonzalo Sanchez de Lozada by Juan Carlos Lujan Zavala in Lima on 7 July]

[Text] [Juan Carlos Lujan Zavala] You just proposed the strengthening of the Andean Group to face the emerging international blocs. What is the reason for that proposal?

[Gonzalo Sanchez de Lozada] Geography and history made Bolivia part of the River Plate Basin, the Amazon, and the Pacific. Therefore, we are a point of contact, and this makes us realize that the actions of an individual bloc are overcome by other associations such as the Common Market of the South (Mercosur); the Group of Three (Colombia, Venezuela, and Mexico); and the NAFTA (the United States, Mexico, and Canada). This entire situation forces us to seek an association that goes beyond the region but does not discard the Andean Group.

[Lujan] Do you believe your proposal will be supported by the Andean region?

[Sanchez de Lozada] It is really difficult to say which countries will support it. However, I believe Bolivia and Peru are in a period of great complementation and of seeking the opening of markets without dogmatisms. The two countries could begin to bring others into the search for rapprochement and the creation of a South American bloc or a hemispheric market.

[Lujan] We understand you came to Peru not only to sign agreements but also with two interesting proposals. One is reportedly related to a railroad project, La Paz Guaqui-Ilo, and the other the exploitation of the Camisea natural gas deposit in Cusco.

[Sanchez de Lozada] That is right. For example, we believe it is better to take the great energy reserve of the Camisea natural gas deposits to Brazil through Bolivia. We should not forget that the Sao Paulo market is the largest in the continent. This does not mean the natural gas cannot be taken to Lima. However, it seems that for the time being, due to the high price of transporting the natural gas to the coast, it would not be competitive to take it to Lima. The truth is we must begin erasing the borders and looking at the regions. Bolivia should be seen as a point of interconnection and Peru as the point of departure of a continental production that in the future would become a development center.

[Lujan] The two governments have political will for this type of project, but businessmen are still suspicious. Bolivians concentrate their investments in the privatization of the Ilo port and the conclusions of the road works, but Peruvians seek the development of a larger infrastructure in Puerto Suarez. What can be done to make the agreements contained in the documents a reality?

[Sanchez de Lozada] I believe very important steps have been taken. Bolivia already has the financing for the projects. There was already a bidding for the construction of the La Paz-Desaguadero highway. I understand that on 7 July we will receive the letter of intent of the Andean Development Corporation (CAF) for financing the Ilo-Desaguadero highway. Puerto Suarez exists and there are undoubtedly problems regarding it. We are at least trying to develop it, although its construction may be delayed. It should be recalled that the paved highway to Brazil is nearly completed and an important segment of this road is still to be finished. We could finance it and complete it in a straight line toward Mato Grosso going through Bolivia and ending in Ilo. This is not a question of will but of necessity. Peru, Brazil, and Bolivia are seeking the far east markets.

[Lujan] Do you have any figures on the possibilities of Bolivian investments in Peruvian territory?

[Sanchez de Lozada] Not yet, because as you said, there is not complete confidence. Businessmen want to see proof first. However, we will see important investments soon.

[Lujan] Can it be determined already what percentage of Bolivian products traded in Chilean ports will go to Ilo?

[Sanchez de Lozada] This should not be looked upon as an exclusive port. We are not thinking of discarding the Chilean ports and leaving the Bolivian cargo exclusively to Ilo. What I am saying is that there are millions of tonnes of products, even from Brazil and Paraguay, that will go to Ilo with Bolivian products because it is more convenient and cheaper to use Ilo port than the ports of the Atlantic.

State of Emergency Extended in 3 Departments

PY1407215794 Lima Radio Programas del Peru Network in Spanish 1800 GMT 14 Jul 94

[Text] The state of emergency has been extended for 60 days in Coronel Portillo Province, Ucayali Department; Ucayali Province, Loreto Department; and Puerto Inca Province, Huanuco Department.

Venezuela

Former Coup Leader Discusses Political Stands

PY1507022994 Buenos Aires CLARIN in Spanish 10 Jul 94 pp 26, 27

[Interview with former Lieutenant General Hugo Chavez Frias, main leader of 1992 coup attempt, by Araceli Viceconte in Caracas; date not given—passages in italics following Chavez' responses are supplied by source]

[Text] [Araceli Viceconte] You define your movement as democratic. Why do you not try to join the system, form a political party, and compete in elections?

[Hugo Chavez Frias] Because we do not have democracy here in Venezuela. If we join what exists now, our existence would stop, or we would stop representing our democratic principles. Here the system degenerated into tyranny. The country is ruled by political parties [partido-cracia]. We have a government of the few and we see signs of nepotism. The only remedy for this mortal illness is revolution, a revolution encompassing all political, social, economic, and moral levels.

The purpose of the Bolivarian Revolutionary 200 Movement [MBR] in this revolution is "of course, taking over power," Chavez said after some doubts. His reasons for carrying out a revolution sound familiar: To liberate an oppressed people, to struggle for an end to economic and political subjugation to the United States for the Venezuelan people and the rest of Latin America, for an end to the submission before the powerful, and misery.

Chavez is a great speaker. He wears a green suit with military collar and has a dark skin and a charismatic presence. He cites his hero Simon Bolivar with a firm and sure voice. He also mentions Kant and Rousseau. He talks about metaphysics and philosophical ideas and recites poetry. He often jumps from a grave gesture, with which he emphasizes the importance of his words, to a smile or a funny phrase.

On 5 July he attended the Independence Day parade but the public practically ignored him. It is said, however, that Chavez is supported by the population's humblest groups.

Chavez wants to make a revolution with and for those people, without bloodshed. He says Bolivarians [from independence hero Simon Bolivar] will form "a grand front of national unity, not political, but popular" and will fight the government without weapons, from the streets.

[Viceconte] How would that peaceful form of revolution operate?

[Chavez Frias] We want to see peaceful pressure by the people, such as the pressure we saw in Buenos Aires this week (referring to the 6 July Federal March). We want to see the people carrying flags, demanding that the government represent them and not some small interests. Instead of 50,000 people, we will gather millions of Venezuelans for a peaceful takeover of the country's main cities.

Chavez does not think he "owns the truth." He only says "his own truth." Chavez is convinced of the massive popular and military support for his proposals.

[Viceconte] But once you take over power, you could become a dictator, could you not?

[Chavez Frias] Those who know us—not only me—and analyze us can easily realize that we will hardly become authoritarian.

Chavez says that his aspiration is to create a Latin American alliance. In the short term he proposes convening a "grand popular constituent congress" in Venezuela as an alternative to the constitutional reform discussions in Congress during the next few months.

Asked to identify himself with other political leaders—besides Bolivar—Chavez confesses: "I identify a lot with, and I keep references about, some military governments—interesting experiences—such as Juan Velazco Alvarado's government in Peru and Omar Torrijos' government in Panama." He considers Cuban President Fidel Castro "a stronghold of dignity in Latin America," aside from their ideological differences, on which he did not elaborate.

[Viceconte] What is the Venezuelan Armed Forces situation today?

[Chavez Frias] They are totally divided. They are condemned to savage persecution. I am being persecuted politically.

[Viceconte] How much do they support you?

[Chavez Frias] All our friends are there. We, the Bolivarians, spent 12 years in the Army. More than 80 percent of all officers support us.

"When we were in jail we received a support letter from Mohamed Ali Seineldin written at Magdalena Prison. We answered it with our best Latin American wish to pursue unity," the former lieutenant general told CLARIN when asked about his relations with the Argentine "painted faced" movement.

[Viceconte] Was that your only contact with them?

[Chavez Frias] No. A short time ago, we were visited by an Argentine retired general from the painted face movement, but I do not recall his name.

[Viceconte] Are the Bolivarians painted faced?

[Chavez Frias] The matter is not whether we are painted faced or Chavez, Aldo Rico, or Seineldin. We are talking about projects and ideas. We are not totally acquainted with the painted faced movement. We are studying what they brought us. If our international Bolivarian movement in support of the poor Latin American peoples and

the painted faced movement have similar purposes, we will look for areas of consensus and integration with them.

[Viceconte] Do you maintain any contacts with other Latin American military movements?

[Chavez Frias] We had some contacts with groups that are still organizing, such as the Military for Democracy Movement and their contacts in Peru, Colombia, and Venezuela. Do not ask me for more details. We are open to anyone wanting to join us.

Roundup of Economic Developments

PA1407034794

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 12 July.

Antonio Casas Gonzalez, Central Bank of Venezuela, BCV, president, has said that the country's international reserves fell $3.7 billion by the end of the fiscal year compared to the previous fiscal year. He also said that operational reserves are at $4.6 billion, enough for 12 months of imports. (Caracas Union Radio Network in Spanish 1100 GMT 8 Jul 94)

Bank Superintendent Tesalio Cadenas reported that Amazonas Bank will begin paying each depositor up to 4 million bolivares beginning on 8 July, thereby becoming the second bank to comply with the emergency law. Cadenas also reported that La Guaira Bank is almost ready to begin paying depositors. (Caracas Union Radio Network in Spanish 1100 GMT 8 Jul 94)

The Superintendency for Foreign Investment on 8 July reported that foreign capital inflows fell $69 million from May to June, amounting to $22.052 billion. Most investments are in the agricultural, manufacturing, construction, and trade sectors. The source added that the United States invested $21.538 billion during the first half of the year. (Madrid EFE in Spanish 2025 GMT 8 Jul 94)

Official sources confirmed on 9 July that the exchange system drafted by the Venezuelan Government gives priority to the supply of foreign exchange allocated for raw material imports. Ivan Pulido Mora, member of the Exchange Administration Board, explained that the supply of dollars will have several ceilings according to the case. For instance, businessmen who need to travel abroad will have access to $250 per day on trips not exceeding 15 days; tourists over 15 will have access to $3,000 every six months; and those under 15 can access $1,500 annually. Export and tourist revenues must be deposited at the BCV, which will convert them to local currency. (Madrid EFE in Spanish 2138 GMT 9 Jul 94)

Suriname

Government Sets New Exchange Rate

BR1407151794 Amsterdam DE VOLKSKRANT in Dutch 12 Jul 94 p 7

[Unattributed article: "Suriname Abolishes Artificial Exchange Rates"]

[Text] Paramaribo—On Monday [11 July], the Surinamese Government set a new exchange rate to replace the other artificial exchange rates in the country. The measure is an important step on the way to reforming the economy. The new rate is 104 Surinamese guilders to one Netherlands guilder and is very close to the former exchange rate on the black market.

Until recently, there were no less than four different exchange rates which were artificially maintained with subsidies. Basic necessities like fuel, flour, and milk powder were imported with "cheap" dollars. The government hopes to end the chaos with the new rate, which is set via supply and demand.

The measures caused considerable commotion in Paramaribo. Many Surinamers fear that life will become too expensive. However, there is no reason for panic, according to the government. New import tariffs will make only luxury goods like tobacco and alcohol more expensive. Other products will hardly increase in price due to the new exchange rate. Basic necessities will remain subsidized so that fuel, electricity, and milk remain affordable.

President Venetiaan wants to set up a fairer system so that subsidies, which at present also benefit affluent Surinamese, go only to the socially weaker.